

# SENATE BILL 959

F2, P1

EMERGENCY BILL

3lr3115  
CF HB 1290

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By: **Senators Benson, Klausmeier, Hester, Hayes, Hettleman, McKay, Beidle, Elfreth, King, Feldman, Rosapepe, Zucker, Hershey, Bailey, Kramer, and Muse**

Introduced and read first time: February 26, 2023

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Maryland 529 Program – Reform**

3 FOR the purpose of abolishing and repealing the Maryland 529 Board; specifying that the  
4 State Treasurer is the successor to the Maryland 529 Board; transferring to the  
5 Office of the State Treasurer the responsibility for administering the Maryland 529  
6 Program, including the Maryland Prepaid College Trust, the Maryland College  
7 Investment Plan, the Maryland Broker–Dealer College Investment Plan, and the  
8 Maryland ABLE Program; authorizing the State Treasurer to take certain actions in  
9 administering the Maryland 529 Program; requiring the State Treasurer to take  
10 certain actions in administering the Maryland 529 Program; prohibiting the State  
11 Treasurer from taking certain actions in administering the Maryland Prepaid  
12 College Trust; establishing the Workgroup on the Maryland 529 Prepaid College  
13 Trust Program; requiring the Workgroup to identify certain policies, procedures, and  
14 practices and to develop recommendations relating to administering the Maryland  
15 529 Program; providing for the transfer of certain services, appropriations, funding,  
16 grants, property, records, fixtures, credits, assets, liabilities, obligations, rights, and  
17 privileges to the Office of the State Treasurer; providing that employees transferred  
18 to the Office of the State Treasurer as a result of this Act shall be transferred without  
19 diminution of certain rights, benefits, or employment or retirement status; providing  
20 for the continuity of certain transactions affected by or flowing from this Act;  
21 providing for the continuity of certain laws, rules and regulations, standards and  
22 guidelines, policies, orders, and other directives, permits and license applications,  
23 forms, plans, memberships, contracts, agreements, property, investigations, and  
24 administrative and judicial responsibilities; providing for the appropriate  
25 transitional provisions relating to the continuity of certain boards and other units;  
26 and generally relating to Maryland 529 Program reform.

27 BY repealing and reenacting, with amendments,  
28 Article – Education

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 18–1901, 18–1902.1, 18–1903 through 18–1905, 18–1905.1, 18–1906,  
2 18–1906.1, 18–1907 through 18–1911, 18–1914, 18–1916, 18–19A–01 through  
3 18–19A–03, 18–19A–04.1, 18–19A–05, 18–19A–05.1, 18–19A–07, 18–19B–01  
4 through 18–19B–06, 18–19B–08, 18–19C–01 through 18–19C–03, 18–19C–05,  
5 18–19C–06, 18–19C–08, and 18–19C–09  
6 Annotated Code of Maryland  
7 (2022 Replacement Volume)

8 BY repealing and reenacting, without amendments,  
9 Article – Education  
10 Section 18–1902, 18–1912, 18–1913, 18–1915, 18–19A–04, 18–19A–06,  
11 18–19A–06.1, 18–19B–07, 18–19C–04, 18–19C–07, and 18–19C–10  
12 Annotated Code of Maryland  
13 (2022 Replacement Volume)

14 BY repealing and reenacting, with amendments,  
15 Article – State Finance and Procurement  
16 Section 11–203(f)  
17 Annotated Code of Maryland  
18 (2021 Replacement Volume and 2022 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – State Government  
21 Section 9–803(a)(10) and (11)  
22 Annotated Code of Maryland  
23 (2021 Replacement Volume and 2022 Supplement)

24 BY adding to  
25 Article – State Government  
26 Section 9–803(a)(11)  
27 Annotated Code of Maryland  
28 (2021 Replacement Volume and 2022 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
30 That the Laws of Maryland read as follows:

31 **Article – Education**

32 18–1901.

33 (a) In this subtitle the following words have the meanings indicated.

34 (b) “ABLE account holder” means an individual who has established an account  
35 described under § 529A(e) of the Internal Revenue Code and is the designated beneficiary  
36 of the account.

37 (c) “Account holder” means an individual who:

1 (1) Makes or undertakes the obligation to make advance payments of  
2 qualified higher education expenses as provided under a prepaid contract; and

3 (2) Except as provided in § 18–1909(b) of this subtitle, is a resident of  
4 Maryland or of the District of Columbia at the time that the account holder enters into a  
5 prepaid contract.

6 (d) [“Board” means the Maryland 529 Board.

7 (e) [“Broker–Dealer Plan” means the Maryland Broker–Dealer College  
8 Investment Plan established under Subtitle 19B of this title.

9 [(f)] (E) “Current prepaid contract obligations” means the scheduled payments  
10 due for the next fiscal year under existing prepaid contracts.

11 [(g)] (F) “Eligible institution of higher education” means an institution of higher  
12 education that:

13 (1) Offers an associate, bachelor, or graduate degree program; and

14 (2) Is eligible to participate in federal financial aid programs.

15 [(h)] (G) “Market value of program assets” means the amount of cash and cash  
16 equivalents held by the Trust plus the fair market value of other assets of the Trust.

17 [(i)] (H) “Maryland ABLE Program” means the Maryland Achieving a Better  
18 Life Experience Program established under Subtitle 19C of this title.

19 [(j)] (I) “Plan” means the Maryland Senator Edward J. Kasemeyer College  
20 Investment Plan established under Subtitle 19A of this title.

21 [(k)] (J) “Prepaid contract” means a contract between the [Board] STATE  
22 TREASURER and an account holder under the provisions of this subtitle for the advance  
23 payment of qualified higher education expenses by the account holder for a qualified  
24 beneficiary to attend an eligible institution of higher education, if the qualified beneficiary  
25 is admitted to the institution.

26 [(l)] (K) “Program” means Maryland 529.

27 [(m)] (L) “Qualified beneficiary” means an individual who:

28 (1) Is eligible to apply advance payments of qualified higher education  
29 expenses to undergraduate or graduate qualified higher education expenses at an eligible  
30 institution of higher education under the provisions of this subtitle; and

1           (2) Except as provided in § 18–1909(b) of this subtitle, is a resident of the  
2 State or of the District of Columbia at the time that the account holder enters into a prepaid  
3 contract.

4           [(n)] (M) “Qualified higher education expenses” has the meaning stated in § 529  
5 of the Internal Revenue Code.

6           [(o)] (N) “Qualified state tuition program” has the meaning stated in § 529 of the  
7 Internal Revenue Code.

8           [(p)] (O) “Trust” means the Maryland Senator Edward J. Kasemeyer Prepaid  
9 College Trust established under this subtitle.

10          [(q)] (P) (1) “Tuition” means the actual tuition and mandatory fees assessed  
11 to all students by an eligible institution of higher education as a condition of enrollment at  
12 the institution.

13          (2) “Tuition” does not include any fee that is assessed by the institution for  
14 a particular course taken, year of enrollment, academic status, course of study, residency  
15 status, or any other distinguishing factor used by the institution to determine a specific fee.

16 18–1902.

17          It is the intent of the General Assembly to enhance the accessibility and affordability  
18 of higher education for all citizens of the State and for all citizens of the District of Columbia  
19 by establishing a method to provide for the prepayment of tuition at eligible institutions of  
20 higher education.

21 18–1902.1.

22          (a) There is a Program entitled Maryland 529.

23          (b) The purpose of the Program is to provide for the administration by the [Board]  
24 **STATE TREASURER** of the Maryland Senator Edward J. Kasemeyer Prepaid College  
25 Trust, the Maryland Senator Edward J. Kasemeyer College Investment Plan, the Maryland  
26 Broker–Dealer College Investment Plan, and the Maryland ABLE Program.

27 18–1903.

28          (a) There is a Maryland Senator Edward J. Kasemeyer Prepaid College Trust.

29          (b) The purpose of the Trust is to provide:

30               (1) A means for payment of the cost of tuition in advance of enrollment at  
31 an eligible institution of higher education; and

1           (2)    An assurance to a beneficiary who enrolls at an eligible institution of  
2 higher education that the [Board] **STATE TREASURER** shall make every effort to invest  
3 the advance payments so that the prepaid contract will cover the average in-State tuition  
4 costs at public institutions of higher education in the State at the time that the benefits are  
5 exercised.

6           (c)    The [Board] **STATE TREASURER** shall administer the Trust in compliance  
7 with Internal Revenue Service standards for qualified State tuition programs.

8           (d)    The funds of the Trust consist of:

9                   (1)    Payments received from prepaid contracts made under the provisions  
10 of this subtitle;

11                   (2)    Bequests, endowments, or funds from any other available private  
12 source;

13                   (3)    Interest and income earned from the investments of the Trust; and

14                   (4)    Federal, State, or local funds, or funds from any other available public  
15 source.

16           (e)    Money remaining in the Trust at the end of the fiscal year shall remain in the  
17 Trust and may not revert to the General Fund of the State.

18           (f)    Money of the Trust may not be considered money of the State and may not be  
19 deposited into the Treasury.

20           (g)    Money of the Trust may not be considered money of the Maryland Senator  
21 Edward J. Kasemeyer College Investment Plan and may not be commingled with the Plan.

22           (h)    Money of the Trust may not be considered money of or be commingled with  
23 the Maryland Broker-Dealer College Investment Plan.

24           (i)    Money of the Trust may not be considered money of or be commingled with  
25 the Maryland ABLE Program.

26           (j)    (1)    The debts, contracts, and obligations of the Trust are not the contracts,  
27 debts, or obligations of the State and neither the faith and credit nor taxing power of the  
28 State is pledged directly or indirectly or contingently, morally or otherwise, to the payment  
29 of the debts, contracts, and obligations.

30                   (2)    The [Board] **STATE TREASURER** cannot directly or indirectly or  
31 contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation  
32 whatsoever for the debts and obligations of the Trust or to make any appropriation for the  
33 payment of the debts and obligations of the Trust.

1 (k) Neither the State nor any eligible institution of higher education shall be  
2 liable for any losses or shortage of funds in the event that the Maryland Senator Edward  
3 J. Kasemeyer Prepaid College Trust is insufficient to meet the tuition requirements of an  
4 institution attended by the qualified beneficiary.

5 18–1904.

6 [(a) There is a Maryland 529 Board.

7 (b)] The [Board] **STATE TREASURER** shall administer:

8 (1) The Maryland Senator Edward J. Kasemeyer Prepaid College Trust  
9 established under this subtitle;

10 (2) The Maryland Senator Edward J. Kasemeyer College Investment Plan  
11 established under Subtitle 19A of this title;

12 (3) The Maryland Broker–Dealer College Investment Plan established  
13 under Subtitle 19B of this title; and

14 (4) The Maryland ABLE Program established under Subtitle 19C of this  
15 title.

16 [(c) The Board consists of the following members:

17 (1) The Secretary of the Maryland Higher Education Commission;

18 (2) The State Superintendent of Schools;

19 (3) The State Treasurer;

20 (4) The State Comptroller;

21 (5) The Chancellor of the University System of Maryland;

22 (6) The Secretary of Disabilities; and

23 (7) Five members of the public who shall be appointed by the Governor and  
24 shall have significant experience in finance, accounting, investment management, or other  
25 areas that can be of assistance to the Board.

26 (d) A member of the Board designated under subsection (c)(1) through (6) of this  
27 section may designate an employee from the member’s staff to represent the member of the  
28 Board, with the full voting rights, powers, and duties of the member.

29 (e) Before taking office, each appointee to the Board shall take the oath required  
30 by Article I, § 9 of the Maryland Constitution.

1 (f) (1) Except for the terms of the initial members of the Board, the term of a  
2 public member of the Board is 4 years.

3 (2) The terms of the public members of the Board are staggered as required  
4 by the terms of the members of the Board on October 1, 1998.

5 (3) At the end of a term, a public member continues to serve until a  
6 successor is appointed and qualifies.

7 (4) A public member who is appointed after a term has begun serves only  
8 for the remainder of the term and until a successor is appointed and qualifies.

9 (5) A public member is eligible for reappointment.

10 (g) The Governor may remove a public member for incompetence or misconduct.]  
11 18–1905.

12 (a) [The Board, from among the members of the Board, shall elect a chairman  
13 and may elect additional officers that the Board considers necessary.

14 (b) The Board shall determine the times and places of meetings.

15 (c) A member of the Board:

16 (1) May not receive compensation;

17 (2) Is entitled to reimbursement for expenses under the Standard State  
18 Travel Regulations; and

19 (3) Shall file a public disclosure of financial interests as required under the  
20 Maryland Public Ethics Law.

21 (d) (1) The [Board] **STATE TREASURER:**

22 (i) Shall appoint a Program executive director who is in the  
23 executive service of the State Personnel Management System; and

24 (ii) May employ additional **PROGRAM** staff in accordance with the  
25 budget.

26 (2) (i) Except for employees described in subparagraph (ii) or (iii) of this  
27 paragraph, the employees shall be skilled service employees subject to the provisions of the  
28 State Personnel and Pensions Article that govern skilled service employees.

(ii) An employee is in the professional service and subject to the provisions of the State Personnel and Pensions Article that govern professional service employees if the position:

1. Requires knowledge of an advanced type in a field of science or learning customarily acquired by a course of specialized intellectual instruction and study; and

2. Normally requires a professional license, an advanced degree, or both.

(iii) An employee is in the management service and subject to the provisions of the State Personnel and Pensions Article that govern management service employees if the position:

1. Primarily involves direct responsibility for the oversight and management of personnel and financial resources;

2. Requires the exercise of discretion and independent judgment; and

3. Is not in the executive service.

(3) The [Board] **STATE TREASURER** may retain the services of consultants, administrators, and other personnel, as necessary, to administer the Trust, the Plan, the Broker–Dealer Plan, or the Maryland ABLE Program.

(4) The budget for the Program[, the Board,] and [its] staff [is] **RETAINED BY THE STATE TREASURER TO ADMINISTER THE PROGRAM ARE** subject to review by the General Assembly for information purposes only.

[(e)] **(B)** The [Board] **STATE TREASURER** may adopt any regulations that the [Board] **STATE TREASURER** considers necessary to carry out the provisions of this subtitle or Subtitle 19A, Subtitle 19B, or Subtitle 19C of this title.

[(f)] **(C)** In [addition] **ADMINISTERING THE PROGRAM**, the [Board] **STATE TREASURER** may:

(1) [Adopt an official seal] **ADMINISTER OATHS, TAKE TESTIMONY, AND SUBPOENA WITNESSES AND BOOKS, RECORDS, AND OTHER DOCUMENTS;**

(2) Sue and be sued **FOR CAUSES OF ACTION RELATED TO THE ADMINISTRATION OF THE PROGRAM;**

(3) Execute contracts and other necessary instruments;



1 (4) Hold, buy, and sell instruments, obligations, securities, and other  
2 investments consistent with its comprehensive investment plan;

3 (5) Enter into agreements with eligible institutions of higher education and  
4 other public or private entities for the promotion, administration, or marketing of the  
5 Program, the Trust, the Plan, the Broker–Dealer Plan, or the Maryland ABLE Program;

6 (6) Invest funds not required for immediate disbursement;

7 (7) Solicit and accept gifts, grants, loans, or other aid from any source or  
8 participate in any government program for purposes consistent with this subtitle and  
9 Subtitles 19A, 19B, and 19C of this title;

10 (8) Subject to the review of the General Assembly, impose, collect, and  
11 distribute across Maryland 529 programs reasonable administrative fees for any  
12 transactions under the Trust, the Plan, the Broker–Dealer Plan, or the Maryland ABLE  
13 Program or involving prepaid contracts or transactions affecting the Program, the Trust,  
14 the Plan, the Broker–Dealer Plan, or the Maryland ABLE Program;

15 (9) Procure insurance against any loss of assets of the Program, the Trust,  
16 the Plan, the Broker–Dealer Plan, or the Maryland ABLE Program;

17 (10) Endorse insurance coverage written exclusively for the purpose of  
18 protecting:

19 (i) A prepaid contract under the Trust and the account holder and  
20 the qualified beneficiary of the contract;

21 (ii) An investment account under the Plan, or the Broker–Dealer  
22 Plan, and the account holder and qualified designated beneficiary of the investment  
23 account; or

24 (iii) An ABLE account under the Maryland ABLE Program and the  
25 ABLE account holder;

26 (11) Designate terms under which money may be withdrawn from the  
27 Program, the Trust, the Plan, the Broker–Dealer Plan, or the Maryland ABLE Program;

28 (12) Establish additional procedural and substantive requirements for  
29 participation in and the administration or marketing of the Program, the Trust, the Plan,  
30 the Broker–Dealer Plan, or the Maryland ABLE Program;

31 (13) Appear on the [Board's] **STATE TREASURER'S** own behalf before  
32 [other] boards, commissions, or other governmental agencies; and

1 (14) Take any other action that the [Board] **STATE TREASURER** considers  
2 appropriate to implement and administer the Program, the Trust, the Plan, the  
3 Broker–Dealer Plan, or the Maryland ABLE Program.

4 18–1905.1.

5 (a) (1) The [Board] **STATE TREASURER** shall develop and implement a  
6 marketing plan to increase participation in Maryland 529.

7 (2) (i) The marketing plan shall identify methods to increase general  
8 participation in Maryland 529.

9 (ii) The [Board] **STATE TREASURER** shall coordinate with the  
10 Board of Trustees of the Maryland Teachers and State Employees Supplemental  
11 Retirement Plans and local school systems, respectively, to identify methods to increase  
12 participation in Maryland 529 among:

13 1. State employees that participate in other State tax  
14 savings programs; and

15 2. Families of students in local school systems with lower  
16 rates of participation in Maryland 529 than the State population.

17 (b) On or before December 1, 2016, and every 3 years thereafter, the [Board]  
18 **STATE TREASURER** shall submit the marketing plan required under subsection (a) of this  
19 section to the Governor and, in accordance with § 2–1257 of the State Government Article,  
20 the Senate Budget and Taxation Committee, the Senate [Education, Health, and  
21 Environmental Affairs] Committee **ON EDUCATION, ENERGY, AND THE**  
22 **ENVIRONMENT**, the House Committee on Ways and Means, and the House Appropriations  
23 Committee.

24 18–1906.

25 (a) The [Board] **STATE TREASURER** shall adopt a comprehensive investment  
26 plan for the administration of the Trust.

27 (b) The plan shall specify the investment policies used by the [Board] **STATE**  
28 **TREASURER** in the administration of the Trust.

29 (c) Assets of the Trust shall be invested in accordance with the comprehensive  
30 investment plan.

31 (d) The comprehensive investment plan must indicate the percentage of assets  
32 that shall be held in each class of investment, the amount of funds held in any cash pool,  
33 the amount of funds held in fixed assets investments, the amount of funds held in equity  
34 investments, and the percentage and dollar value of assets placed with outside managers.

1 (e) (1) Notwithstanding any law restricting the deposit or investment of State  
2 money, the [Board] **STATE TREASURER** may place assets of the Trust in savings accounts  
3 or may use the assets to purchase fixed or variable life insurance or annuity contracts,  
4 securities, evidence of indebtedness, or other investment products pursuant to the  
5 comprehensive investment plan.

6 (2) Any insurance, annuity contracts, savings, or other investment  
7 products procured by the [Board] **STATE TREASURER** shall be underwritten and offered  
8 in compliance with applicable federal and State laws.

9 (f) The [Board] **STATE TREASURER** shall make every effort to invest the assets  
10 of the Trust in a manner that earns, at a minimum, sufficient earnings to generate the  
11 difference between the prepaid amount under prepaid contracts and the average in-State  
12 tuition costs at public institutions of higher education in the State at the time that the  
13 benefits are exercised.

14 (g) The comprehensive investment plan shall provide for the Trust to be  
15 administered in an actuarially sound manner to assure that the [Board] **STATE**  
16 **TREASURER** may defray obligations of the Trust.

17 (h) The [Board] **STATE TREASURER** shall review the comprehensive investment  
18 plan at least annually to assure that the Trust remains actuarially sound.

19 (i) The [Board] **STATE TREASURER** may contract with an investment advisory  
20 or management company for the investment and management of the Trust as long as the  
21 Trust is administered in accordance with the comprehensive investment plan.

22 (j) The [Board] **STATE TREASURER**:

23 (1) Shall preserve, invest, and expend the assets of the Trust solely for the  
24 purposes of this subtitle; and

25 (2) May not loan, transfer, or use the assets for any other purpose of the  
26 State.

27 (k) The Trust is not subject to § 7-302 of the State Finance and Procurement  
28 Article.

29 (l) Unless the [Board] **STATE TREASURER** provides otherwise by regulation,  
30 the [Board] **STATE TREASURER** shall use the proceeds in the Trust in the following order:

31 (1) To pay eligible institutions of higher education in accordance with the  
32 [Board's] **STATE TREASURER'S** obligations under prepaid contracts;

33 (2) To refund money on the termination of prepaid contracts; and

1 (3) To pay the operating expenses of the [Board] **STATE TREASURER IN**  
2 **ADMINISTERING THE PROGRAM.**

3 (m) (1) Except as provided in paragraph (2) of this subsection, if the [Board]  
4 **STATE TREASURER** determines after an annual review that the market value of Trust  
5 assets exceeds the amount necessary to satisfy all scheduled payments currently due or  
6 scheduled to become due under all prepaid contracts by 30% or more, the [Board] **STATE**  
7 **TREASURER** may provide for a rebate from the excess to account holders of existing  
8 prepaid contracts in an amount to be determined by the [Board] **STATE TREASURER.**

9 (2) The [Board] **STATE TREASURER** may not rebate any amount to  
10 account holders if, within the 5 years immediately preceding the proposed rebate:

11 (i) The [Board] **STATE TREASURER** has requested an  
12 appropriation under § 18–1906.1 of this subtitle; or

13 (ii) The Trust has failed to repay to the State any appropriation  
14 under § 18–1906.1 of this subtitle.

15 18–1906.1.

16 (a) If the current prepaid contract obligations of the Trust exceed the market  
17 value of Trust assets, at the request of the [Board] **STATE TREASURER**, the Governor  
18 shall include in the annual budget bill submitted to the General Assembly an appropriation  
19 in the amount determined under subsection (b) of this section.

20 (b) The appropriation to be included in the budget bill under subsection (a) of this  
21 section shall equal the difference between the current prepaid contract obligations and the  
22 market value of Trust assets.

23 (c) For purposes of this section, the current prepaid contract obligations and the  
24 market value of Trust assets:

25 (1) Shall be determined as of June 30 of the calendar year that ended before  
26 the beginning of the fiscal year for which the appropriation is requested; and

27 (2) Shall be verified by the report of the independent outside auditor  
28 required under § 18–1916 of this subtitle.

29 (d) (1) The amount appropriated under this section shall be deposited into the  
30 Trust.

31 (2) All amounts paid into the Trust under this section shall constitute and  
32 be accounted for as advances to the Trust.

1 (3) Subject to the rights of the Trust's contract holders, amounts  
2 appropriated under this section shall be repaid to the State without interest in equal  
3 amounts in each of the next 2 fiscal years succeeding the one for which the appropriation  
4 was made.

5 (4) If the appropriation in the State budget as enacted by the General  
6 Assembly is less than the amount specified under subsection (b) of this section, the [Board]  
7 **STATE TREASURER** may adjust the terms of subsequent or current prepaid contracts to  
8 ensure continued actuarial soundness of the Trust.

9 18–1907.

10 (a) In this section, “fiduciary” means:

11 (1) [A member of the Board] **THE STATE TREASURER**; or

12 (2) An employee of the Program or the Trust who exercises any  
13 discretionary authority or control over:

14 (i) The management or administration of the Trust; or

15 (ii) The management or disposition of the assets of the Trust.

16 (b) A fiduciary shall discharge the fiduciary's duties with respect to the Trust:

17 (1) Solely in the interest of the participants;

18 (2) For the exclusive purposes of providing benefits to the participants and  
19 providing reasonable expenses of administering the Trust;

20 (3) With the care, skill, prudence, and diligence under the circumstances  
21 then prevailing, that a prudent person acting in a like capacity and familiar with such  
22 matters would use in the conduct of an enterprise of a like character with like aims;

23 (4) By diversifying the investments of the Trust so as to minimize the risk  
24 of large losses, unless under the circumstances it is clearly prudent not to do so;

25 (5) In accordance with the laws governing the Trust; and

26 (6) In accordance with the documents and instruments governing the Trust  
27 to the extent that the documents and instruments are consistent with this subtitle.

28 (c) In exercising authority, control, or discretion with respect to the Trust, a  
29 fiduciary may not:

30 (1) Use the assets of the Trust for the fiduciary's own interest or account;

1 (2) Act in a transaction involving the Trust on behalf of a person, or  
2 represent a person, if the interests of the person are adverse to the interests of the Trust or  
3 the interests of participants;

4 (3) Receive any consideration for the fiduciary's own account from a person  
5 dealing with the Trust in connection with a transaction involving the assets of the Trust;  
6 or

7 (4) Become an endorser or surety or, in any manner, an obligor, for money  
8 lent to or borrowed from the [Board] **STATE TREASURER**.

9 18–1908.

10 (a) The [Board] **STATE TREASURER** shall purchase a bond for each fiduciary in  
11 accordance with Title 9, Subtitle 17 of the State Government Article.

12 (b) Unless a fiduciary is bonded, the fiduciary may not exercise custody or control  
13 of any assets of the Trust.

14 (c) A fiduciary may not allow another fiduciary to act in violation of this section.

15 18–1909.

16 (a) **(1) [The Board shall] ON OR AFTER JUNE 1, 2023, THE STATE**  
17 **TREASURER MAY NOT** establish prepaid contracts under the Trust to provide for the  
18 advance payment of tuition at:

19 [(1)] **(I)** A community college;

20 [(2)] **(II)** A 4–year college;

21 [(3)] **(III)** A university; or

22 [(4)] **(IV)** Any combination of a community college, college, or university.

23 **(2) ON OR AFTER JUNE 1, 2023, AN ACCOUNT HOLDER MAY NOT**  
24 **ENTER INTO PREPAID CONTRACTS UNDER THE TRUST TO PROVIDE FOR THE**  
25 **ADVANCE PAYMENT OF TUITION AT:**

26 **(I) A COMMUNITY COLLEGE;**

27 **(II) A 4–YEAR COLLEGE;**

28 **(III) A UNIVERSITY; OR**

1 (IV) ANY COMBINATION OF A COMMUNITY COLLEGE, COLLEGE,  
2 OR UNIVERSITY.

3 (b) (1) For the purpose of entering into a prepaid contract, either the account  
4 holder or the qualified beneficiary must be a resident of Maryland or of the District of  
5 Columbia at the time that the account holder enters into the prepaid contract.

6 (2) For the purposes of determining residency for the purchase of a prepaid  
7 contract:

8 (i) For residency in Maryland, “resident” has the meaning stated in  
9 § 10–101 of the Tax – General Article; and

10 (ii) For residency in the District of Columbia, “resident” has the  
11 meaning stated in § 47–1801.04 of the District of Columbia Code Annotated.

12 (c) The cost of a prepaid contract shall be based on:

13 (1) The average current in–State tuition costs at the time the prepaid  
14 contract is purchased at public institutions of higher education in the State;

15 (2) The number of years expected to elapse between the purchase of a  
16 prepaid contract and the use of the benefits of the prepaid contract; and

17 (3) The projected tuition costs at the time that the benefits will be  
18 exercised.

19 (d) Each prepaid contract made under the provisions of this subtitle shall include  
20 the following provisions:

21 (1) The amount of each payment and the number of payments required  
22 from an account holder;

23 (2) The terms and conditions under which account holders shall remit  
24 payments, including the dates of the payments;

25 (3) Provisions for late payment charges and defaults;

26 (4) Penalties for early withdrawal from the Trust;

27 (5) The amount and terms of any administrative fees that must be paid by  
28 the account holder or the beneficiary;

29 (6) The name and date of birth of the qualified beneficiary on whose behalf  
30 the contract is made;

1 (7) Terms and conditions for a substitution for the qualified beneficiary  
2 originally named;

3 (8) Terms and conditions for the termination of the prepaid contract;

4 (9) The time period during which the qualified beneficiary may claim  
5 benefits from the Trust;

6 (10) The maximum number of undergraduate semester hours that are  
7 prepaid under the prepaid contract, based on in-State tuition at a public institution of  
8 higher education in the State;

9 (11) All other rights and obligations of the account holder and the Trust; and

10 (12) Any other terms and conditions that the [Board] STATE TREASURER  
11 considers necessary or appropriate.

12 (e) The [Board] STATE TREASURER shall allow the conversion of a prepaid  
13 contract from one tuition plan or payment option to a different tuition plan or payment  
14 option.

15 (f) The [Board] STATE TREASURER shall allow excess prepaid contract benefits  
16 due to receipt of a scholarship, tuition remission, or early graduation from college to be used  
17 toward the payment of other qualified higher education expenses, as specified by the  
18 [Board] STATE TREASURER, at an eligible institution of higher education.

19 (g) **(1) ON OR AFTER JUNE 1, 2023, THE STATE TREASURER MAY NOT**  
20 **ALLOW THE TRANSFER OF FUNDS FROM ANY OTHER QUALIFIED STATE TUITION**  
21 **PROGRAM TO THE TRUST, IN ACCORDANCE WITH FEDERAL LAW.**

22 **(2) (I) [The Board] ON OR BEFORE DECEMBER 31, 2024, THE**  
23 **STATE TREASURER shall allow the transfer of funds from the Trust to any other qualified**  
24 **State tuition program [or from any other qualified State tuition program to the Trust], in**  
25 **accordance with federal law.**

26 **(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH,**  
27 **THE STATE TREASURER SHALL GRANT AN INTEREST PAYMENT TO AN ACCOUNT**  
28 **HOLDER WHO, IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH,**  
29 **TRANSFERS FUNDS FROM THE TRUST TO THE PLAN.**

30 **(III) THE STATE TREASURER SHALL ADOPT REGULATIONS TO**  
31 **DETERMINE THE INTEREST RATE FOR PAYMENTS REQUIRED UNDER**  
32 **SUBPARAGRAPH (II) OF THIS PARAGRAPH.**



1           **(3) ON OR AFTER JANUARY 1, 2025, THE STATE TREASURER MAY NOT**  
2 **ALLOW THE TRANSFER OF FUNDS FROM THE TRUST TO ANY OTHER QUALIFIED**  
3 **STATE TUITION PROGRAM, IN ACCORDANCE WITH FEDERAL LAW.**

4           (h) The [Board] **STATE TREASURER** shall allow the transfer of funds from the  
5 Trust to any qualified ABLE program established in accordance with § 529A of the Internal  
6 Revenue Code.

7           (i) The [Board] **STATE TREASURER** shall set procedures to ensure that  
8 contributions to the Trust plus contributions or payments to other qualified State tuition  
9 programs do not exceed a total maximum amount determined by § 529 of the Internal  
10 Revenue Code for contributions to multiple qualified State tuition programs.

11           (j) The Maryland prepaid contract plan shall be referred to as the Senator  
12 Edward J. Kasemeyer prepaid contract plan.

13 18–1910.

14           (a) (1) The [Board] **STATE TREASURER** shall issue refunds as specified in  
15 this section.

16                   (2) Unless authorized by the [Board] **STATE TREASURER** or under  
17 subsection (b) of this section, a refund may not exceed the amount paid into the Trust by  
18 the account holder.

19           (b) A refund equal to the same benefits as provided by the prepaid contract, minus  
20 any amount paid out of the funds of the Trust on behalf of the qualified beneficiary and for  
21 reasonable administrative charges, shall be made if the beneficiary:

22                   (1) Is awarded a scholarship or tuition remission that covers benefits  
23 provided under the prepaid contract; or

24                   (2) Dies or suffers from a disability which prevents the beneficiary from  
25 attending an institution of higher education within the time allowed by this subtitle.

26           (c) (1) A reduced refund of the contributions made to the Trust, as determined  
27 by the [Board] **STATE TREASURER**, shall be made if:

28                   (i) The beneficiary does not attend an institution of higher  
29 education;

30                   (ii) Benefits are not exercised under the contract within a time  
31 specified in the contract; or

32                   (iii) The prepaid contract is canceled by the account holder.

1           (2)     The time that a qualified beneficiary spends in active duty as a member  
2 of the United States armed forces shall be added to the time period allowed to exercise the  
3 benefits under a prepaid contract before a termination under paragraph (1) of this  
4 subsection.

5 18–1911.

6           The [Board] **PROGRAM**, Trust, and prepaid contracts issued under this subtitle are  
7 not subject to the provisions of the Insurance Article.

8 18–1912.

9           The assets and income of the Trust are exempt from State and local taxation.

10 18–1913.

11           (a)     In this section, “person” does not include the State.

12           (b)     A person may not attach, execute, garnish, or otherwise seize any current or  
13 future benefit under a prepaid contract or any asset of the Trust.

14 18–1914.

15           (a)     Nothing in this subtitle or in any prepaid contract may be construed as a  
16 promise or guarantee by the [Board] **STATE TREASURER** of admission to, continued  
17 enrollment at, or graduation from an institution of higher education.

18           (b)     The actual tuition rate charged to a qualified beneficiary shall be determined  
19 at the time of enrollment in accordance with the residency policy adopted by the governing  
20 board of the institution of higher education at which the qualified beneficiary enrolls.

21 18–1915.

22           The State and its agencies or any local government in the State may agree, by  
23 contract or otherwise, to remit payments on behalf of an employee toward a prepaid  
24 contract through payroll deductions.

25 18–1916.

26           (a)     (1)     The Legislative Auditor shall audit the Trust as provided under Title 2,  
27 Subtitle 12 of the State Government Article.

28           (2)     The [Board] **STATE TREASURER** shall cause an audit of the Trust to  
29 be made by an outside independent auditor annually.

30           (3)     The [Board] **STATE TREASURER** shall pay for the audit required  
31 under paragraph (2) of this subsection.

1 (b) (1) Within 120 days after the close of each fiscal year, the [Board] STATE  
2 **TREASURER** shall submit to the Governor and, subject to § 2-1257 of the State  
3 Government Article, to the General Assembly a report including:

4 (i) The audit of the outside independent auditor;

5 (ii) A financial accounting of the Trust, including:

6 1. The annual review of the comprehensive investment plan  
7 which shall include:

8 A. The status of the investment program, including  
9 investment income matched to projected enrollment costs under the existing prepaid  
10 contracts;

11 B. The assets held in each class of investment, the amount of  
12 funds held in any cash pool, the amount of funds held in fixed assets investments, and the  
13 amount of funds held in equity investments;

14 C. The percentage and dollar value of assets placed with  
15 outside managers;

16 D. The income produced by each class of investment; and

17 E. The income produced by each investment manager; and

18 2. A detailed account of the operating and administrative  
19 budget for the Trust, which shall include a complete list of revenue sources and  
20 expenditures detailing the line item expenditures for:

21 A. Salaries, wages, and fringe benefits;

22 B. Technical and special fees;

23 C. Communication;

24 D. Travel;

25 E. Contractual services;

26 F. Supplies and materials;

27 G. Equipment;

28 H. Fixed charges; and

## 1 I. Other expenses;

2 (iii) The number of prepaid contracts entered into during the  
3 previous fiscal year;

4 (iv) Efforts by the [Board] **STATE TREASURER** in marketing the  
5 prepaid contracts under the Trust; and

6 (v) Any recommendations of the [Board] **STATE TREASURER**  
7 concerning the operation of the Trust.

8 (2) The [Board] **STATE TREASURER** shall make available to each account  
9 holder a copy of a summary of the report and the option to purchase the full report at a  
10 nominal charge.

11 (c) The audit required by subsection (a)(2) of this section and the report required  
12 by subsection (b) of this section may be combined with any other audit or report for the  
13 same fiscal year required to be submitted by the [Board] **STATE TREASURER** to the  
14 Governor and the General Assembly.

15 18–19A–01.

16 (a) In this subtitle the following words have the meanings indicated.

17 (b) “Account holder” means the person who established an investment account on  
18 behalf of a qualified designated beneficiary.

19 (c) [“Board” means the Maryland 529 Board established under § 18–1904 of this  
20 title.

21 (d) [“Eligible educational institution” has the meaning stated in § 529(e) of the  
22 Internal Revenue Code.

23 [(e)] (D) “Investment account” means an account established by an account  
24 holder under this subtitle on behalf of a qualified designated beneficiary for the purpose of  
25 applying distributions toward qualified higher education expenses at eligible educational  
26 institutions.

27 [(f)] (E) “Plan” means the Maryland Senator Edward J. Kasemeyer College  
28 Investment Plan established under this subtitle.

29 [(g)] (F) “Qualified designated beneficiary” has the meaning stated in § 529 of  
30 the Internal Revenue Code.

31 [(h)] (G) “Qualified higher education expenses” has the meaning stated in § 529  
32 of the Internal Revenue Code.

1           **[(i) (H)]**       “Qualified state tuition program” has the meaning stated in § 529 of the  
2 Internal Revenue Code.

3 18–19A–02.

4           (a)       There is a Maryland Senator Edward J. Kasemeyer College Investment Plan.

5           (b)       The purpose of the Plan is to allow contributions to an investment account  
6 established for the purposes of meeting the qualified higher education expenses of the  
7 qualified designated beneficiary of the account.

8           (c)       (1)       The **[Board] STATE TREASURER** shall administer, manage, promote,  
9 and market the Plan.

10                   (2)       The **[Board] STATE TREASURER** shall administer the Plan in  
11 compliance with Internal Revenue Service standards for qualified State tuition programs.

12           (d)       The **[Board] STATE TREASURER** shall adopt procedures that the **[Board]**  
13 **STATE TREASURER** considers necessary to carry out the provisions of this subtitle.

14           (e)       The **[Board] STATE TREASURER** shall adopt procedures relating to:

15                   (1)       Application procedures for participation in the Plan;

16                   (2)       Start-up costs incurred by the State for the development of the Plan  
17 with these costs to be reimbursed to the State by the Plan;

18                   (3)       Early withdrawals, so that there will be no major detriment to the  
19 remaining account holders in the Plan;

20                   (4)       The State contribution program;

21                   (5)       Transfer of funds from the Plan to other qualified State tuition  
22 programs and from other qualified State tuition programs to the Plan in accordance with  
23 federal law; and

24                   (6)       Transfer of funds from the Plan to a qualified ABLE program  
25 established in accordance with § 529A of the Internal Revenue Code.

26           (f)       At least annually, the **[Board] STATE TREASURER** shall issue to each  
27 account holder a statement that provides a separate accounting for each qualified  
28 designated beneficiary providing the following information with respect to each account:

29                   (1)       The beginning balance;

1 (2) Contributions to the account, including any State contribution;

2 (3) Withdrawals from the account during the previous year; and

3 (4) Ending investment account value.

4 18–19A–03.

5 (a) (1) The [Board] **STATE TREASURER** may issue requests for proposals to  
6 evaluate and determine the means for the administration, management, promotion, or  
7 marketing of the Plan.

8 (2) The [Board] **STATE TREASURER** shall consider proposals that meet  
9 the following criteria:

10 (i) Ability to develop and administer an investment program of a  
11 nature similar to the objectives of the Plan;

12 (ii) Ability to administer financial programs with individual account  
13 records and reporting;

14 (iii) Ability to market the Plan to Maryland residents;

15 (iv) Ability to market the Plan to nonresidents of Maryland; and

16 (v) Ability to coordinate the Plan with other programs or  
17 informational services considered beneficial by the [Board] **STATE TREASURER**, including  
18 the Maryland Senator Edward J. Kasemeyer Prepaid College Trust established under  
19 Subtitle 19 of this title.

20 (b) (1) Except for applications made under § 18–19A–04.1 of this subtitle, the  
21 [Board] **STATE TREASURER** may require an initial application fee to be used for  
22 administrative costs of the Plan.

23 (2) The [Board] **STATE TREASURER** may require additional fees  
24 associated with the expenses of the Plan.

25 (c) (1) Contributions to the Plan on behalf of a qualified designated beneficiary  
26 may not exceed the maximum amount determined by the [Board] **STATE TREASURER** to  
27 be in accordance with § 529 of the Internal Revenue Code.

28 (2) Contributions to the Plan may be made only in cash or cash equivalent.

29 (3) The Plan shall include provisions for automatic contributions.

1 (d) The [Board] **STATE TREASURER** shall adopt procedures to ensure that  
2 contributions to the Plan plus contributions or payments to other qualified State tuition  
3 programs do not exceed a total maximum amount determined under § 529 of the Internal  
4 Revenue Code for contributions to multiple qualified State tuition programs.

5 (e) (1) The Plan:

6 (i) Shall be established in the form determined by the [Board]  
7 **STATE TREASURER**; and

8 (ii) May be established as a trust to be declared by the [Board]  
9 **STATE TREASURER**.

10 (2) The Plan may be divided into multiple investment portfolios.

11 (3) If the Plan is divided into multiple portfolios as provided in paragraph  
12 (2) of this subsection, the debts, liabilities, obligations, and expenses incurred, contracted  
13 for, or otherwise existing with respect to a particular portfolio shall be enforceable against  
14 the assets of that portfolio only and not against the assets of the Plan generally, if:

15 (i) Distinct records are maintained for each portfolio; and

16 (ii) The assets associated with each portfolio are accounted for  
17 separately from the other assets of the Plan.

18 (f) The Maryland College Investment Plan shall be referred to as the Senator  
19 Edward J. Kasemeyer College Investment Plan.

20 18–19A–04.

21 (a) A Maryland resident or a nonresident of Maryland may participate in and  
22 benefit from the Plan.

23 (b) Distributions shall be requested by the account holder.

24 18–19A–04.1.

25 (a) (1) Subject to paragraph (2) of this subsection, for investment accounts  
26 established after December 31, 2016, a State contribution may be made to not more than  
27 two investment accounts for each qualified beneficiary as provided in this section if:

28 (i) The qualified beneficiary of the investment account and the  
29 account holder are Maryland residents;

30 (ii) The account holder is at least 18 years old for applications filed  
31 on or after January 1, 2022;

1 (iii) The account holder submits an application to the [Board] STATE  
2 TREASURER or [its] THE STATE TREASURER'S designee between January 1 and June 1  
3 of each year;

4 (iv) The account holder has Maryland adjusted gross income in the  
5 previous taxable year no greater than \$112,500 for an individual or \$175,000 for a married  
6 couple filing a joint return;

7 (v) The account holder files income taxes on or before July 15 of each  
8 year; and

9 (vi) The qualified beneficiary is under the age of 26 years in the  
10 calendar year before the account holder submits an application.

11 (2) For State contribution application periods after December 31, 2020, a  
12 qualified beneficiary may not receive more than two State contributions for each year the  
13 qualified beneficiary is eligible for the State contribution under this section.

14 (b) (1) An application may be made in person, online, or by mail.

15 (2) The [Board] STATE TREASURER shall develop:

16 (i) An application form that:

17 1. Includes permission for confirming Maryland taxable  
18 income with the Comptroller; and

19 2. Allows for certification of Maryland residency;

20 (ii) A procedure to certify the date and time of receipt of an  
21 application; and

22 (iii) Any other necessary procedures for the submittal of applications.

23 (c) (1) For an account holder with Maryland adjusted gross income of less than  
24 \$50,000 for an individual or \$75,000 for a married couple filing a joint return who  
25 contributes at least \$25 per beneficiary during the contribution period in subsection (e) of  
26 this section, the State shall provide an additional \$500 per beneficiary.

27 (2) For an account holder with Maryland adjusted gross income of at least  
28 \$50,000 but less than \$87,500 for an individual or at least \$75,000 but less than \$125,000  
29 for a married couple filing a joint return who contributes at least \$100 per beneficiary  
30 during the contribution period in subsection (e) of this section, the State shall provide an  
31 additional \$500 per beneficiary.

32 (3) For an account holder with Maryland adjusted gross income of at least  
33 \$87,500 but no greater than \$112,500 for an individual or at least \$125,000 but no greater



1 than \$175,000 for a married couple filing a joint return who contributes at least \$250 per  
2 beneficiary during the contribution period in subsection (e) of this section, the State shall  
3 provide an additional \$250 per beneficiary.

4 (d) (1) The Governor shall include in the annual budget bill an appropriation  
5 of at least the following amounts for State contributions:

6 (i) \$5,000,000 in fiscal year 2018; and

7 (ii) \$3,000,000 in fiscal year 2019 and each fiscal year thereafter.

8 (2) If the funding provided in a fiscal year is not sufficient to fully fund all  
9 State contributions authorized under this section, the [Board] **STATE TREASURER** shall:

10 (i) Provide contributions in the order in which applications are  
11 received; and

12 (ii) Give priority to applications of account holders who have not  
13 received a contribution.

14 (e) (1) An account holder shall contribute at least the amount specified under  
15 subsection (c) of this section on or before November 1 of each year in order to qualify for the  
16 State contribution.

17 (2) A State contribution shall be made by December 31 of the calendar year  
18 in which the account holder made the contribution.

19 (f) (1) An account holder is not eligible for the subtraction modification under  
20 § 10–208 of the Tax – General Article for any taxable year in which the account holder  
21 receives a State contribution.

22 (2) An account holder may qualify for not more than \$9,000 in State  
23 contributions through the lifetime of the account holder.

24 (g) (1) The [Board] **STATE TREASURER** shall develop and implement by  
25 September 1, 2018, an outreach and marketing plan to provide notification to individuals  
26 about the availability of a State contribution.

27 (2) The outreach and marketing plan shall:

28 (i) Make use of a variety of marketing media, including billboards,  
29 brochures, and electronic resources; and

30 (ii) Provide a centralized contact point for individuals to obtain  
31 information about opening an account and the availability of a State contribution.

1            [(3) By December 1, 2018, the Board shall submit a report in accordance  
2 with § 2–1257 of the State Government Article to the General Assembly on the details of  
3 the outreach and marketing plan.]

4            (h) The [Board] **STATE TREASURER** may adopt any regulations that the [Board]  
5 **STATE TREASURER** considers necessary to carry out the provisions of this section.

6 18–19A–05.

7            (a) (1) The debts, contracts, and obligations of the Plan are not the contracts,  
8 debts, or obligations of the State and neither the faith and credit nor taxing power of the  
9 State is pledged directly or indirectly or contingently, morally or otherwise, to the payment  
10 of the debts, contracts, and obligations.

11            (2) The [Board] **STATE TREASURER** cannot directly or indirectly or  
12 contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation  
13 whatsoever for the debts and obligations of the Plan or to make any appropriation for the  
14 payment of the debts and obligations of the Plan.

15            (b) Neither the State nor any eligible educational institution shall be liable for  
16 any losses or shortage of funds in the event that the account holder's investment account  
17 balance is insufficient to meet the tuition requirements of an institution attended by the  
18 qualified designated beneficiary.

19            (c) Money of the Plan may not be considered money of the State or deposited in  
20 the State Treasury.

21            (d) Money of the Plan may not be considered money of or commingled with the  
22 Maryland Senator Edward J. Kasemeyer Prepaid College Trust.

23            (e) Money of the Plan may not be considered money of or commingled with the  
24 Maryland Broker–Dealer College Investment Plan.

25            (f) Money of the Plan may not be considered money of or commingled with the  
26 Maryland ABLE Program.

27 18–19A–05.1.

28            The [Board] **MARYLAND 529 PROGRAM**, Plan, and investment accounts issued  
29 under this subtitle are not subject to the provisions of the Insurance Article.

30 18–19A–06.

31            The assets and income of the Maryland Senator Edward J. Kasemeyer College  
32 Investment Plan are exempt from State and local taxation.

1 18–19A–06.1.

2 (a) In this section, “person” does not include the State.

3 (b) A person may not attach, execute, garnish, or otherwise seize any current or  
4 future benefit under an investment account or any asset of the Plan.

5 18–19A–07.

6 (a) (1) The Legislative Auditor shall audit the Plan as provided under Title 2,  
7 Subtitle 12 of the State Government Article.

8 (2) The [Board] **STATE TREASURER** shall obtain an annual audit report  
9 from service providers.

10 (b) (1) Within 120 days after the close of each fiscal year, the [Board] **STATE**  
11 **TREASURER** shall submit to the Governor and, subject to § 2–1257 of the State  
12 Government Article, to the General Assembly a report including:

13 (i) A financial accounting of the Plan, including:

14 1. An annual review of the Plan which shall include:

15 A. The status of the investment program;

16 B. The assets held in each class of investment;

17 C. The percentage and dollar value of assets placed with  
18 outside managers;

19 D. The income produced by each class of investment;

20 E. The income produced by each investment manager;

21 F. The total deposits into the Plan for the past year; and

22 G. The total withdrawals from the Plan for the past year; and

23 2. A detailed account of the operating and administrative  
24 budget for the Plan, which shall include a complete list of revenue sources and expenditures  
25 detailing the line item expenditures for:

26 A. Salaries, wages, and fringe benefits;

27 B. Technical and special fees;

28 C. Communication;

1 D. Travel;

2 E. Contractual services;

3 F. Supplies and materials;

4 G. Equipment;

5 H. Fixed charges; and

6 I. Other expenses;

7 (ii) The number of new account holders during the previous fiscal  
8 year;

9 (iii) Efforts in marketing the Plan; and

10 (iv) Any recommendations of the [Board] **STATE TREASURER**  
11 concerning the operation of the Plan.

12 (2) The [Board] **STATE TREASURER** shall make available to each account  
13 holder a copy of a summary of the report and the option to purchase the full report at a  
14 nominal charge.

15 [(c) The audit required by subsection (a)(2) of this section and the report required  
16 by subsection (b) of this section, at the Board's discretion, may be combined with any other  
17 audit or report for the same fiscal year required to be submitted by the Board to the  
18 Governor and the General Assembly.]

19 18-19B-01.

20 (a) In this subtitle the following words have the meanings indicated.

21 (b) "Account holder" means the person who established an investment account on  
22 behalf of a qualified designated beneficiary.

23 (c) ["Board" means the Maryland 529 Board established under § 18-1904 of this  
24 title.

25 (d) "Broker-Dealer Plan" means the Maryland Broker-Dealer College  
26 Investment Plan established under this subtitle.

27 [(e) (D) "Eligible educational institution" has the meaning stated in § 529(e) of  
28 the Internal Revenue Code.

1            [(f)] (E)        “Investment account” means an account established by an account  
2 holder under this subtitle on behalf of a qualified designated beneficiary for the purpose of  
3 applying distributions toward qualified higher education expenses at eligible educational  
4 institutions.

5            [(g)] (F)        “Qualified designated beneficiary” has the meaning stated in § 529(e)  
6 of the Internal Revenue Code.

7            [(h)] (G)        “Qualified higher education expenses” has the meaning stated in §  
8 529(e) of the Internal Revenue Code.

9            [(i)] (H)        “Qualified State tuition program” has the meaning stated in § 529 of  
10 the Internal Revenue Code.

11 18–19B–02.

12            (a)        The [Board] STATE TREASURER may establish a Maryland Broker–Dealer  
13 College Investment Plan.

14            (b)        The purpose of the Broker–Dealer Plan is to provide for a broker–dealer  
15 distributed vehicle that would allow contributions to an investment account established for  
16 the purposes of meeting the qualified higher education expenses of the qualified designated  
17 beneficiary of the account.

18            (c)        (1)        The [Board] STATE TREASURER shall administer, manage, and  
19 promote the Broker–Dealer Plan.

20            (2)        The [Board] STATE TREASURER shall administer the Broker–Dealer  
21 Plan in compliance with Internal Revenue Service standards for qualified State tuition  
22 programs.

23            (d)        (1)        The [Board] STATE TREASURER shall adopt procedures relating to:

24                    (i)        Enrollment procedures for participation in the Broker–Dealer  
25 Plan;

26                    (ii)       Start–up costs incurred by the State for the development of the  
27 Broker–Dealer Plan with these costs to be reimbursed to the State by the Broker–Dealer  
28 Plan;

29                    (iii)       Early withdrawals so that there will be no major detriment to  
30 the remaining account holders in the Broker–Dealer Plan;

31                    (iv)       Transfer of funds from the Broker–Dealer Plan to other qualified  
32 State tuition programs and from other qualified State tuition programs to the  
33 Broker–Dealer Plan in accordance with federal law; and

1 (v) Transfer of funds from the Broker–Dealer Plan to a qualified  
2 ABLE program established in accordance with § 529A of the Internal Revenue Code.

3 (2) The [Board] **STATE TREASURER** shall adopt any other procedures  
4 that the [Board] **STATE TREASURER** considers necessary to carry out the provisions of  
5 this subtitle.

6 (e) At least annually, the [Board] **STATE TREASURER** shall issue to each  
7 account holder a statement that provides a separate accounting for each qualified  
8 designated beneficiary providing the following information with respect to each account:

9 (1) The beginning balance;

10 (2) Contributions to the account;

11 (3) Withdrawals from the account during the previous year; and

12 (4) Ending investment account value.

13 18–19B–03.

14 (a) (1) The [Board] **STATE TREASURER** may issue requests for proposals to  
15 evaluate and determine the means for the administration, management, promotion, or  
16 marketing of the Broker–Dealer Plan.

17 (2) The [Board] **STATE TREASURER** shall consider proposals that meet  
18 the following criteria:

19 (i) Ability to develop and administer an investment program of a  
20 nature similar to the objectives of the Broker–Dealer Plan;

21 (ii) Ability to administer financial programs with individual account  
22 records and reporting; and

23 (iii) Ability to market the Broker–Dealer Plan to Maryland residents  
24 and, at the [Board’s] **STATE TREASURER’S** discretion, nonresidents of Maryland.

25 (b) (1) The [Board] **STATE TREASURER** may require an initial enrollment fee  
26 to be used for administrative costs of the Broker–Dealer Plan.

27 (2) The [Board] **STATE TREASURER** may require additional fees  
28 associated with the expenses of the Broker–Dealer Plan.

1 (c) (1) Contributions to the Broker–Dealer Plan on behalf of a qualified  
2 designated beneficiary may not exceed the maximum amount determined by the [Board]  
3 **STATE TREASURER** to be in accordance with § 529 of the Internal Revenue Code.

4 (2) Contributions to the Broker–Dealer Plan may be made only in cash or  
5 cash equivalents.

6 (3) The Broker–Dealer Plan shall include provisions for automatic  
7 contributions.

8 (d) (1) The Broker–Dealer Plan:

9 (i) May be established as one or more separate plans as determined  
10 by the [Board] **STATE TREASURER**;

11 (ii) If established by the [Board] **STATE TREASURER**, shall be  
12 established in the form determined by the [Board] **STATE TREASURER**;

13 (iii) Shall be marketed and promoted under the name or names  
14 determined by the [Board] **STATE TREASURER**; and

15 (iv) May be established as one or more trusts to be declared by the  
16 [Board] **STATE TREASURER**.

17 (2) The Broker–Dealer Plan may be divided into multiple investment  
18 options.

19 18–19B–04.

20 (a) A Maryland resident or, at the [Board’s] **STATE TREASURER’S** discretion, a  
21 nonresident of Maryland may participate in and benefit from the Broker–Dealer Plan.

22 (b) Distributions shall be requested by the account holder.

23 18–19B–05.

24 (a) (1) The debts, contracts, and obligations of the Broker–Dealer Plan are not  
25 the contracts, debts, or obligations of the State, and neither the faith and credit nor taxing  
26 power of the State is pledged directly or indirectly or contingently, morally or otherwise, to  
27 the payment of the debts, contracts, and obligations.

28 (2) The [Board] **STATE TREASURER** cannot directly or indirectly or  
29 contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation  
30 whatsoever for the debts and obligations of the Broker–Dealer Plan or to make any  
31 appropriation for the payment of the debts and obligations of the Broker–Dealer Plan.

1 (b) Neither the State nor any eligible educational institution shall be liable for  
2 any losses or shortage of funds in the event that the account holder's investment account  
3 balance is insufficient to meet the tuition requirements of an institution attended by the  
4 qualified designated beneficiary.

5 (c) Money of the Broker-Dealer Plan may not be considered money of the State  
6 or deposited in the State Treasury.

7 (d) Money of the Broker-Dealer Plan may not be considered money of or  
8 commingled with the Maryland Senator Edward J. Kasemeyer Prepaid College Trust.

9 (e) Money of the Broker-Dealer Plan may not be considered money of or  
10 commingled with the Maryland Senator Edward J. Kasemeyer College Investment Plan.

11 (f) Money of the Broker-Dealer Plan may not be considered money of or  
12 commingled with the Maryland ABLE Program.

13 18-19B-06.

14 (a) The [Board] **MARYLAND 529 PROGRAM**, the Broker-Dealer Plan, and the  
15 investment accounts issued under this subtitle are not subject to the provisions of the  
16 Insurance Article.

17 (b) The assets and income of the Maryland Broker-Dealer College Investment  
18 Plan are exempt from State and local taxation.

19 18-19B-07.

20 (a) In this section, "person" does not include the State.

21 (b) A person may not attach, execute, garnish, or otherwise seize any current or  
22 future benefit under an investment account or any asset of the Broker-Dealer Plan.

23 18-19B-08.

24 (a) The Legislative Auditor shall audit the Broker-Dealer Plan as provided under  
25 Title 2, Subtitle 12 of the State Government Article.

26 (b) The [Board] **STATE TREASURER** shall obtain an annual audit report from  
27 service provider(s) within six months of the end of such service provider's reporting period.

28 18-19C-01.

29 (a) In this subtitle the following words have the meanings indicated.

30 (b) "ABLE account" means an account described under § 529A(e) of the Internal  
31 Revenue Code.



1 (c) “ABLE account contributor” means an individual who contributes money to  
2 an ABLE account described under § 529A(e) of the Internal Revenue Code.

3 (d) “ABLE account holder” means an individual who has established an account  
4 described under § 529A(e) of the Internal Revenue Code and is the designated beneficiary  
5 of the account.

6 (e) [“Board” means the Maryland 529 Board established under § 18–1904 of this  
7 title.

8 (f) “Designated beneficiary” means an individual described in § 529A(e) of the  
9 Internal Revenue Code.

10 [(g)] (F) “Maryland ABLE Program” means a qualified ABLE program described  
11 in § 529A(b) of the Internal Revenue Code.

12 [(h)] (G) “Qualified disability expenses” means expenses described in § 529A(e)  
13 of the Internal Revenue Code.

14 18–19C–02.

15 (a) (1) The [Board] **STATE TREASURER** shall establish a Maryland ABLE  
16 Program that shall be subject to the provisions of § 529A of the Internal Revenue Code.

17 (2) It is the goal of the State that the Maryland ABLE Program be fully  
18 operational by October 1, 2017.

19 (b) The purpose of the Maryland ABLE Program is to:

20 (1) Encourage and assist individuals and families in saving private funds  
21 to support individuals with disabilities to maintain health, independence, and quality of  
22 life; and

23 (2) Provide secure funding for disability–related expenses on behalf of  
24 designated beneficiaries with disabilities that will supplement, not supplant, benefits  
25 provided through private insurance, the Medicaid program under Title XIX of the Social  
26 Security Act, the Supplemental Security Income program under Title XVI of the Social  
27 Security Act, the beneficiary’s employment, and any other source.

28 (c) (1) The [Board] **STATE TREASURER** shall develop, establish, administer,  
29 manage, and promote the Maryland ABLE Program.

30 (2) The [Board] **STATE TREASURER** shall administer the Maryland  
31 ABLE Program in compliance with Internal Revenue Service standards for qualified ABLE  
32 programs.

1           (3)    The [Board] **STATE TREASURER** shall work in consultation with the  
2 Department of Disabilities to develop, administer, manage, and promote the Maryland  
3 ABLÉ Program.

4           (4)    The [Board] **STATE TREASURER** may collaborate and participate with  
5 other states or entities to develop, administer, manage, and promote the Maryland ABLÉ  
6 Program, including participating with a consortium of states that are implementing ABLÉ  
7 programs in those states or as a consortium of states.

8           (d)    (1)    The [Board] **STATE TREASURER** shall adopt procedures relating to:

9                   (i)    Enrollment for participation in the Maryland ABLÉ Program;  
10 and

11                   (ii)   Start-up costs incurred by the State for the development of the  
12 Maryland ABLÉ Program with these costs to be reimbursed to the State by the Maryland  
13 ABLÉ Program.

14           (2)    The [Board] **STATE TREASURER** shall adopt any other procedures  
15 that the [Board] **STATE TREASURER** considers necessary to carry out the provisions of  
16 this subtitle.

17           (e)    At least annually, the [Board] **STATE TREASURER** shall issue to each ABLÉ  
18 account holder a statement that provides a separate accounting for each designated  
19 beneficiary providing the following information with respect to each account:

20                   (1)    The beginning balance;

21                   (2)    Contributions to the account;

22                   (3)    Distributions from the account during the previous year; and

23                   (4)    Ending ABLÉ account value.

24 18-19C-03.

25           (a)    (1)    The [Board] **STATE TREASURER** may issue requests for proposals to  
26 evaluate and determine the means for the administration, management, promotion, or  
27 marketing of the Maryland ABLÉ Program.

28                   (2)    The [Board] **STATE TREASURER** shall consider proposals that meet  
29 the following criteria:

30                   (i)    Ability to develop and administer an investment program of a  
31 nature similar to the objectives of the Maryland ABLÉ Program;

1 (ii) Ability to administer financial programs with individual account  
2 records and reporting; and

3 (iii) Ability to market the Maryland ABLE Program to eligible  
4 individuals.

5 (b) (1) The [Board] **STATE TREASURER** may require an initial enrollment fee  
6 to be used for administrative costs of the Maryland ABLE Program.

7 (2) The [Board] **STATE TREASURER** may require additional reasonable  
8 fees associated with the expenses of the Maryland ABLE Program.

9 (c) (1) The Maryland ABLE Program is subject to the provisions of § 529A of  
10 the Internal Revenue Code.

11 (2) The Maryland ABLE Program shall include provisions for automatic  
12 contributions.

13 (3) Money and assets in the accounts established under the Maryland  
14 ABLE Program or an ABLE program in any other state may not be considered for the  
15 purpose of determining eligibility to receive, or the amount of, any assistance or benefits  
16 from local or State means-tested programs.

17 (4) Money and assets contributed in each calendar year to the account of  
18 each ABLE account holder may not exceed the amount specified in § 529A(b)(2) of the  
19 Internal Revenue Code for each calendar year in which the taxable year begins.

20 (5) Contributions to the account of each ABLE account holder may not  
21 exceed the maximum amount determined by the [Board] **STATE TREASURER** to be in  
22 accordance with § 529A(b)(6) of the Internal Revenue Code.

23 (d) The Maryland ABLE Program may receive money from:

24 (1) Appropriations in the State budget;

25 (2) Reasonable fees assessed to beneficiaries;

26 (3) Grants or other assistance from federal, State, or local government; and

27 (4) Any other money from any public or private source.

28 (e) (1) The Maryland ABLE Program:

29 (i) May be established as one or more separate plans as determined  
30 by the [Board] **STATE TREASURER**;

1 (ii) Shall be established in the form determined by the [Board]  
2 **STATE TREASURER**;

3 (iii) Shall be marketed and promoted under the name or names  
4 determined by the [Board] **STATE TREASURER**; and

5 (iv) May be established as one or more trusts to be declared by the  
6 [Board] **STATE TREASURER**.

7 (2) The Maryland ABLE Program may be divided into multiple investment  
8 options.

9 18–19C–04.

10 (a) An eligible individual, as defined in § 529A(e) of the Internal Revenue Code,  
11 may participate in and benefit from the Maryland ABLE Program.

12 (b) Distributions shall be requested by the designated beneficiary subject to the  
13 provisions of § 529A of the Internal Revenue Code.

14 18–19C–05.

15 (a) (1) The debts, contracts, and obligations of the Maryland ABLE Program  
16 are not the contracts, debts, or obligations of the State, and neither the faith and credit nor  
17 taxing power of the State is pledged directly or indirectly or contingently, morally or  
18 otherwise, to the payment of the debts, contracts, and obligations.

19 (2) The [Board] **STATE TREASURER** may not directly or indirectly or  
20 contingently obligate, morally or otherwise, the State to levy or pledge any form of taxation  
21 whatsoever for the debts and obligations of the Maryland ABLE Program or to make any  
22 appropriation for the payment of the debts and obligations of the Maryland ABLE Program.

23 (b) The State may not be liable for any losses or shortage of funds in the event  
24 that the designated beneficiary's ABLE account balance is insufficient to meet the  
25 designated beneficiary's qualified disability expenses.

26 (c) Money of the Maryland ABLE Program may not be considered money of the  
27 State or deposited in the State Treasury.

28 (d) Money of the Maryland ABLE Program may not be considered money of or  
29 commingled with the Maryland Senator Edward J. Kasemeyer Prepaid College Trust.

30 (e) Money of the Maryland ABLE Program may not be considered money of or  
31 commingled with the Maryland Senator Edward J. Kasemeyer College Investment Plan.

32 (f) Money of the Maryland ABLE Program may not be considered money of or  
33 commingled with the Maryland Broker–Dealer College Investment Plan.

1 18–19C–06.

2 (a) The [Board] **MARYLAND 529 PROGRAM**, the Maryland ABLE Program, and  
3 the ABLE accounts issued under this subtitle are not subject to the provisions of the  
4 Insurance Article.

5 (b) The assets and income of the Maryland ABLE Program are exempt from State  
6 and local taxation.

7 18–19C–07.

8 (a) In this section, “person” does not include the State.

9 (b) A person may not attach, execute, garnish, or otherwise seize any current or  
10 future benefit under an ABLE account or any asset of the Maryland ABLE Program.

11 18–19C–08.

12 (a) The Legislative Auditor shall audit the Maryland ABLE Program as provided  
13 under Title 2, Subtitle 12 of the State Government Article.

14 (b) The [Board] **STATE TREASURER** shall obtain an annual audit report from a  
15 service provider within 6 months of the end of the reporting period of the service provider.

16 18–19C–09.

17 (a) The [Board] **STATE TREASURER** shall issue refunds as specified in this  
18 section.

19 (b) If the contribution of an ABLE account contributor under the Maryland ABLE  
20 Program would result in aggregate contributions from all contributors to the ABLE account  
21 for the taxable year exceeding the amount specified in § 529A(b)(2) of the Internal Revenue  
22 Code for each calendar year in which the taxable year begins, the [Board] **STATE**  
23 **TREASURER** shall issue a refund to the ABLE account contributor.

24 (c) The [Board] **STATE TREASURER** shall adopt procedures to ensure that  
25 contributions to the account of each ABLE account holder do not exceed the total maximum  
26 amount determined under § 529A(b)(6) of the Internal Revenue Code.

27 18–19C–10.

28 (a) Unless prohibited by federal law, on the death of a designated beneficiary,  
29 money and assets in an ABLE account may be transferred to:

30 (1) The estate of the designated beneficiary; or

1 (2) An ABLE account for another eligible individual specified by the  
2 designated beneficiary or the estate of the designated beneficiary.

3 (b) Unless required by federal law, an agency or instrumentality of the State may  
4 not seek payment under § 529A(f) of the Internal Revenue Code from an ABLE account or  
5 its proceeds for any amount of medical assistance paid for the designated beneficiary.

### 6 Article – State Finance and Procurement

7 11–203.

8 (f) Except as provided in Title 12, Subtitle 4 and Title 14, Subtitle 3 of this article,  
9 this Division II does not apply to Maryland 529 for:

10 (1) services of managers to invest the assets of the Maryland Senator  
11 Edward J. Kasemeyer Prepaid College Trust in accordance with the comprehensive  
12 investment plan adopted by the [Maryland 529 Board] **STATE TREASURER** under §  
13 18–1906 of the Education Article; and

14 (2) expenditures to manage, maintain, and enhance the value of the assets  
15 of the Maryland Senator Edward J. Kasemeyer Prepaid College Trust in accordance with  
16 the comprehensive investment plan adopted by the [Maryland 529 Board] **STATE**  
17 **TREASURER** under § 18–1906 of the Education Article.

### 18 Article – State Government

19 9–803.

20 (a) The Commission consists of the following members:

21 (10) the Secretary of Higher Education, or the Secretary’s designee; [and]

22 **(11) THE EXECUTIVE DIRECTOR OF THE MARYLAND 529 PROGRAM,**  
23 **OR THE EXECUTIVE DIRECTOR’S DESIGNEE; AND**

24 **[(11)] (12)** the following members, appointed by the Governor:

25 (i) one member of the Board of Trustees of the Maryland Teachers  
26 and State Employees Supplemental Retirement Plans;

27 (ii) [one member of the Maryland 529 Board;

28 (iii)] one member of the Maryland State Education Association who  
29 teaches a course involving principles of financial education;

1                    [(iv)] (III) one representative of the Maryland CASH Campaign;

2                    [(v)] (IV) one representative of a community-focused nonprofit  
3 organization that provides free financial education in the State;

4                    [(vi)] (V) one representative of a philanthropic organization that  
5 provides funding for financial education in the State;

6                    [(vii)] (VI) one representative of the Maryland Council on Economic  
7 Education or the Maryland Coalition for Financial Literacy;

8                    [(viii)] (VII) one representative of a bank, whether or not  
9 State-chartered, that has a branch in the State;

10                   [(ix)] (VIII) one representative of a credit union, whether or not  
11 State-chartered, that has a branch in the State;

12                   [(x)] (IX) one licensed mortgage broker holding the Maryland  
13 Association of Mortgage Brokers' "Lending Seal of Integrity";

14                   [(xi)] (X) one member of the Maryland Association of CPAs; and

15                   [(xii)] (XI) one representative of a nonprofit organization in the State  
16 that provides financial assistance and free financial education to State residents for  
17 postsecondary education.

18                   SECTION 2. AND BE IT FURTHER ENACTED, That:

19                   (a) There is a Workgroup on the Maryland 529 Prepaid College Trust Program.

20                   (b) The Workgroup consists of the following members:

21                   (1) the State Treasurer;

22                   (2) two Maryland 529 account holders who have experienced issues  
23 accessing their funds, appointed by the Governor;

24                   (3) two members of the Senate of Maryland, appointed by the President of  
25 the Senate; and

26                   (4) two members of the House of Delegates, appointed by the Speaker of  
27 the House.

28                   (c) The State Treasurer shall provide staff for the Workgroup.

1 (d) The Workgroup shall elect a chair of the Workgroup by a majority vote at the  
2 first meeting.

3 (e) A member of the Workgroup:

4 (1) may not receive compensation as a member of the Workgroup; but

5 (2) is entitled to reimbursement for expenses under the Standard State  
6 Travel Regulations, as provided in the State budget.

7 (f) The Workgroup shall:

8 (1) identify policies, procedures, and practices that led to issues relating to  
9 the earnings calculation formula and Maryland 529 account holders' inability to access  
10 their prepaid college trust benefits to pay for college expenses; and

11 (2) develop and make recommendations for improvement in:

12 (i) the Maryland 529 policies, procedures, and practices to ensure  
13 the prevention of similar issues in the future;

14 (ii) communication and transparency for Maryland 529 account  
15 holders; and

16 (iii) accountability for the individuals responsible for properly  
17 exercising Maryland 529's fiduciary responsibility and managing the prepaid college trust  
18 to meet its contractual obligations.

19 (g) On or before June 1, 2024, the Workgroup shall report its findings and  
20 recommendations to the Governor and, in accordance with § 2-1257 of the State  
21 Government Article, the General Assembly.

22 SECTION 3. AND BE IT FURTHER ENACTED, That, on June 1, 2023, the  
23 Maryland 529 Board is hereby abolished and the State Treasurer shall be the successor of  
24 the Maryland 529 Board.

25 SECTION 4. AND BE IT FURTHER ENACTED, That:

26 (a) The responsibility for administering the Maryland 529 Program shall be  
27 transferred to the Office of the State Treasurer on June 1, 2023.

28 (b) (1) All appropriations, including State and federal funds, held by the  
29 agencies and units of the State to carry out the functions, programs, and services  
30 transferred under this Act shall be transferred to the Office of the State Treasurer on June  
31 1, 2023.



1           (2) Funding for the services and programs under the Maryland 529  
2 Program shall be provided for the Office of the State Treasurer beginning in the fiscal year  
3 2025 State budget.

4           (3) Federal fund grants directed to the State through other State agencies  
5 shall be transferred to the Office of the State Treasurer on June 1, 2023.

6           (c) On June 1, 2023, all of the functions, powers, duties, books and records  
7 (including electronic records), real and personal property, equipment, fixtures, assets,  
8 liabilities, obligations, credits, rights, and privileges of the agencies, units, and entities that  
9 are transferred under this Act shall be transferred to the Office of the State Treasurer.

10           SECTION 5. AND BE IT FURTHER ENACTED, That all employees who are  
11 transferred to the Office of the State Treasurer as a result of this Act shall be transferred  
12 without diminution of their rights, benefits, employment, or retirement status.

13           SECTION 6. AND BE IT FURTHER ENACTED, That, except as expressly provided  
14 to the contrary in this Act, any transaction affected by or flowing from any statute added,  
15 amended, repealed, or transferred under this Act and validly entered into before the  
16 effective date of this Act, and every right, duty, or interest flowing from it remains valid  
17 after the effective date of this Act and may be terminated, completed, consummated, or  
18 enforced under the law.

19           SECTION 7. AND BE IT FURTHER ENACTED, That, except as otherwise provided  
20 by law, all existing laws, regulations, proposed regulations, standards and guidelines,  
21 policies, orders and other directives, forms, plans, memberships, contracts, property,  
22 investigations, administrative and judicial responsibilities, rights to sue and be sued, and  
23 all other duties and responsibilities associated with the functions of the agencies and units  
24 that are subjects of this Act prior to the effective date of this Act shall continue in effect  
25 under and, as appropriate, are legal and binding on the State Treasurer until completed,  
26 withdrawn, canceled, modified, or otherwise changed.

27           SECTION 8. AND BE IT FURTHER ENACTED, That the regulations regarding the  
28 Maryland 529 Program that were adopted before June 1, 2023, by the Maryland 529 Board  
29 that do not conflict with the provisions of this Act continue to be in force and effect unless  
30 otherwise altered by the State Treasurer.

31           SECTION 9. AND BE IT FURTHER ENACTED, That, as provided in this Act:

32           (a) The State Treasurer is the successor of the Maryland 529 Board.

33           (b) In every law, executive order, rule, regulation, policy, or document created by  
34 an official, an employee, or a unit of this State, the names and titles of those agencies and  
35 officials mean the names and titles of the successor agency or official.

36           SECTION 10. AND BE IT FURTHER ENACTED, That any transaction or  
37 employment status affected by or flowing from any change of nomenclature or any statute

1 amended by this Act and validly entered into or existing before the effective date of this Act  
2 and every right, duty, or interest flowing from a statute amended by this Act remains valid  
3 after the effective date of this Act and may be terminated, completed, consummated, or  
4 enforced as required or allowed by any statute amended by this Act as though the  
5 amendment had not occurred. If a change in nomenclature involves a change in name or  
6 designation of any State unit, the successor unit shall be considered in all respects as  
7 having the powers and obligations granted to the former unit.

8 SECTION 11. AND BE IT FURTHER ENACTED, That:

9 (a) The continuity of every commission, office, department, agency, or other unit  
10 is retained.

11 (b) The personnel, records, files, furniture, fixtures, and other properties and all  
12 appropriations, credits, assets, liabilities, and obligations of each retained unit are  
13 continued as the personnel, records, files, furniture, fixtures, properties, appropriations,  
14 credits, assets, liabilities, and obligations of the unit under the laws enacted by this Act.

15 SECTION 12. AND BE IT FURTHER ENACTED, That:

16 (a) The balance of a Maryland Senator Edward J. Kasemeyer Prepaid College  
17 Trust account, following the distribution in accordance with Section 1 of this Act, is an  
18 accurate allocation of principal and earnings of that account.

19 (b) The distribution to the account in accordance with Section 1 of this Act may  
20 not be considered a contribution to the account for purposes of provisions of law governing  
21 the Maryland income tax.

22 SECTION 13. AND BE IT FURTHER ENACTED, That the publisher of the  
23 Annotated Code of Maryland, in consultation with and subject to the approval of the  
24 Department of Legislative Services, shall correct, with no further action required by the  
25 General Assembly, cross-references and terminology rendered incorrect by this Act. The  
26 publisher shall adequately describe any correction that is made in an editor's note following  
27 the section affected.

28 SECTION 14. AND BE IT FURTHER ENACTED, That this Act is an emergency  
29 measure, is necessary for the immediate preservation of the public health or safety, has  
30 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
31 each of the two Houses of the General Assembly, and shall take effect from the date it is  
32 enacted.