

SECOND REGULAR SESSION

HOUSE BILL NO. 2261

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PATTERSON.

4539H.021

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 166, RSMo, by adding thereto one new section relating to savings accounts for education expenses.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 166, RSMo, is amended by adding thereto one new section, to be known as section 166.461, to read as follows:

166.461. 1. This section shall be known and may be cited as the "Show Me Child Savings Account Act".

2. As used in this section, the following terms mean:

(1) "Eligible educational institution", an institution:

(a) Of postsecondary education as defined in 20 U.S.C. Section 1002, as amended;

or

(b) That offers a program of instruction:

a. Resulting in the award of a certificate, undergraduate degree, or other industry-recognized credential; and

b. That has been designated by the coordinating board for higher education as preparing students to enter an area of occupational shortage as determined by the coordinating board;

(2) "Parent", the parent, legal guardian, custodian, or other person having care and custody over a qualified child;

(3) "Program", the Missouri children's savings account program created in this section;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (4) "Program fund", the Missouri children's savings account program fund created
18 in this section;

19 (5) "Qualified child":

20 (a) An individual born on or after January 1, 2021, and who is a resident of this
21 state at the time of birth and at the time that the scholarship grant is applied for or
22 received; or

23 (b) An adoptee with a valid decree of adoption who was born on or after January
24 1, 2021, whose adopting parent was a resident of this state at the time the decree of
25 adoption was entered and who is a resident at the time that the scholarship grant is applied
26 for or received;

27 (6) "Qualified higher education expenses", the costs of tuition and fees and other
28 expenses for attendance at an eligible educational institution;

29 (7) "Scholarship grant", an amount not to exceed one hundred dollars provided
30 to the parent of a qualified child for qualified higher education expenses under this section
31 that is deposited in a savings account as provided in subsection 7 of this section.

32 3. There is hereby created the "Missouri Children's Savings Account Program".
33 The program shall be administered by the state treasurer as provided in this section.

34 4. Upon receiving a certification of live birth in this state as provided in chapter
35 193, the department of health and senior services shall notify the state treasurer and
36 transmit any data related to the child that the treasurer deems necessary for the
37 administration of this section to determine whether the child is a qualified child. Such
38 information shall include, but not be limited to, the child's:

39 (1) Parent's full name;

40 (2) Parent's address;

41 (3) Full name; and

42 (4) Date of birth.

43 5. (1) Upon receiving notification of a live birth and determining whether the child
44 is a qualified child under this section, the state treasurer shall notify the parent of each
45 qualified child about the program. The notification shall include an explanation of the
46 program and the opportunity for the parent to exclude the qualified child from the
47 program. Any qualified child who is not excluded by the parent shall be deemed to be
48 enrolled in the program.

49 (2) For any information obtained from the department of health and senior services
50 under this section, the state treasurer shall be subject to the same disclosure restrictions
51 and confidentiality requirements that apply to the department. Any information obtained

52 directly by the treasurer under this section shall be confidential, shall not be deemed a
53 public record, and shall not be subject to the provisions of chapter 610.

54 6. (1) There is hereby created in the state treasury the "Missouri Children's
55 Savings Account Program Fund", which shall receive deposits, make disbursements, and
56 be administered in compliance with the provisions of this section.

57 (2) Subject to appropriation and the availability of moneys in the program fund,
58 moneys in the program fund shall be used to provide scholarship grants and to pay for
59 personal service, equipment, and other expenses of the treasurer related to the
60 administration of this section. Nothing in this section shall be construed to prevent the
61 general assembly from making appropriations to the program fund from other permissible
62 sources.

63 (3) Notwithstanding any other provisions of law to the contrary, moneys shall be
64 deposited in the program fund and administered in accordance with the following
65 provisions:

66 (a) On a daily basis, the state treasurer shall apportion any interest or other
67 increment derived from the investment of funds in an amount proportionate to the average
68 daily balance of funds in the state treasury. The treasurer shall use a method in
69 accordance with generally accepted accounting principles in apportioning and distributing
70 that interest or increment. After satisfying the requirements of section 30.605 and prior
71 to distributing that interest or increment, the treasurer shall deduct the costs incurred by
72 the treasurer in administering this section in proportion to the average daily balance of the
73 amounts deposited to each fund in the state treasury. The treasurer shall then deposit the
74 identified portion of the daily interest receipts in the program fund. All other remaining
75 interest received on the investment of state funds shall be allocated and deposited to funds
76 in the state treasury as required by law;

77 (b) The total costs for scholarship grants, personal service, equipment, and other
78 expenses of the treasurer related to this section, exclusive of any personal service,
79 equipment, and other expenses attributable to positions wholly dedicated to the functions
80 described in chapter 447, and any banking fees and other banking-related costs, shall not
81 exceed thirty-five basis points, or thirty-five-hundredths of one percent, of the total of the
82 average daily fund balance of funds in the state treasury.

83 (4) Notwithstanding the provisions of section 33.080 to the contrary, moneys in the
84 program fund shall not lapse to the general revenue fund at the end of the biennium.

85 (5) The provisions of this section shall not apply to the state road fund created in
86 section 226.220, the motor fuel tax fund created in section 142.345, the state highways and
87 transportation department fund created in section 226.200, the state transportation fund

88 **created in section 226.225, and the state road bond fund created in Article IV, Section 30(b)**
89 **of the Constitution of Missouri.**

90 **7. (1) The state treasurer shall establish a separate savings account under sections**
91 **166.400 to 166.456 for each qualified child and shall deposit scholarship grants in such**
92 **separate savings accounts.**

93 **(2) Any separate savings account established under this subsection shall be exempt**
94 **for purposes of determining eligibility for public assistance, provided that the federal rules**
95 **for such programs permit such an exemption.**

96 **(3) Any amount in any separate savings account established under this subsection**
97 **that is unused for qualified higher education expenses and remains in such savings account**
98 **when the qualified child becomes thirty years of age shall revert to the program fund.**

99 **8. The state treasurer may promulgate all necessary rules and regulations for the**
100 **administration of this section. Any rule or portion of a rule, as that term is defined in**
101 **section 536.010, that is created under the authority delegated in this section shall become**
102 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
103 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
104 **of the powers vested with the general assembly pursuant to chapter 536 to review, to delay**
105 **the effective date, or to disapprove and annul a rule are subsequently held**
106 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**
107 **after August 28, 2020, shall be invalid and void.**

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