

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND ELEVEN

—
H.P. 871 - L.D. 1173

An Act To Make Changes to the Maine College Savings Program

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA §11473, sub-§1, as enacted by PL 1997, c. 732, §4, is amended to read:

1. Creation. The Maine College Savings Program Fund, referred to in this chapter as ~~the~~ "the program fund," is established as a nonlapsing fund to be held, directed and administered by the authority ~~and held by the Treasurer of State~~. ~~The Treasurer of State~~ authority shall keep the program fund segregated from all other funds held by the ~~Treasurer of State~~ authority and shall invest and reinvest, or cause to be invested and reinvested, the program fund for the benefit of the program under the direction of and with the advice of the advisory committee. The program fund so administered is a fund held on behalf of participants and beneficiaries who are deemed specifically named persons for the purposes of Title 5, section 135-A.

Sec. 2. 20-A MRSA §11473, sub-§5, as enacted by PL 1997, c. 732, §4, is amended to read:

5. Common investment of funds. The authority may commingle, or cause or allow to be commingled, amounts credited to some or all accounts for investment purposes and may provide for the application of program earnings to pay any administrative costs of the program fund prior to crediting program earnings to participants' accounts.

Sec. 3. 20-A MRSA §11474, sub-§2, as enacted by PL 1997, c. 732, §4, is amended to read:

2. Invest funds. With the advice of the advisory committee, ~~direct the Treasurer of State to~~ invest and reinvest, or cause to be invested and reinvested, money in the program fund in any investments determined by the authority to be appropriate, notwithstanding any general statutory limitations on investments of public funds specifically determined to be inapplicable to the program fund. The authority must invest, or cause to be invested, money from the program fund in financial institutions located in the State to the extent determined reasonable by the authority;

Sec. 4. 20-A MRSA §11476, as enacted by PL 1997, c. 732, §4, is amended to read:

§11476. Investment options and parameters

The authority, with the advice of the advisory committee, may provide investment options for a participant within the program fund to the extent permitted by Internal Revenue Code provisions addressing qualified state tuition programs. The authority, with the advice of the advisory committee, shall invest, or cause to be invested, the amounts on deposit in the program fund in a reasonable manner to achieve the objectives of each fund, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. A participant or designated beneficiary may not direct the investment of any amounts on deposit in the program fund, except to the extent allowed pursuant to provisions of the Internal Revenue Code addressing qualified state tuition programs. The authority shall give due consideration to rate of return, term or maturity, diversification and liquidity of investments within the program fund or any account in the program fund pertaining to the projected disbursements and expenditures from the program fund and the expected payments, deposits, contributions and gifts to be received.

Sec. 5. 20-A MRSA §11484, sub-§1, ¶B-1, as enacted by PL 2001, c. 417, §19, is repealed.

Sec. 6. 20-A MRSA §11484, sub-§1, ¶B-2, as enacted by PL 2001, c. 417, §19, is amended to read:

B-2. ~~One member~~ Two members appointed by the Governor from at large;

Sec. 7. 20-A MRSA §11484, sub-§1, ¶D, as enacted by PL 1997, c. 732, §4, is repealed.

Sec. 8. 20-A MRSA §11484, sub-§1, ¶E is enacted to read:

E. Two members representing institutions with experience in and knowledge of higher education financial and investment matters. One member must be a member appointed by the Governor with experience in and knowledge of institutional investment of funds. One member must be appointed by the chair of the authority's board of directors who is a member of the authority's board of directors other than the Treasurer of State.

Sec. 9. Effective date. Those sections of this Act that amend the Maine Revised Statutes, Title 20-A, section 11473, subsections 1 and 5; section 11474, subsection 2; and section 11476 take effect on July 1, 2012. That section of this Act that repeals Title 20-A, section 11484, subsection 1, paragraph B-1 and that section of this Act that amends Title 20-A, section 11484, subsection 1, paragraph B-2 take effect at the expiration of the term of the member with knowledge of student financial assistance or when the position is vacant. That section of this Act that repeals Title 20-A, section 11484, subsection 1, paragraph D and that section of this Act that enacts Title 20-A, section 11484, subsection 1, paragraph E take effect at the expiration of the terms of the member representing public institutions of higher education and the member representing private institutions of higher education or when the positions are vacant.

In House of Representatives, 2011

Read twice and passed to be enacted.

..... Speaker

In Senate, 2011

Read twice and passed to be enacted.

..... President

Approved 2011

..... Governor