

HOUSE BILL 532

F2, F5

0lr1749
CF 0lr2813

By: **Delegate Stein**

Introduced and read first time: January 27, 2020

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Senator Edward J. Kasemeyer College Investment Plan – State**
3 **Contributions – Alterations**

4 FOR the purpose of clarifying that a State contribution to a certain college investment plan
5 may be made to one account for each qualified beneficiary; limiting a certain
6 qualified beneficiary from receiving more than one State contribution under certain
7 circumstances; authorizing the Maryland 529 Board to adopt certain regulations;
8 and generally relating to State contributions to college investment accounts.

9 BY repealing and reenacting, without amendments,
10 Article – Education
11 Section 18–19A–01(a), (b), (c), (e), and (g) and 18–19A–02(a)
12 Annotated Code of Maryland
13 (2018 Replacement Volume and 2019 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Education
16 Section 18–19A–04.1(a)
17 Annotated Code of Maryland
18 (2018 Replacement Volume and 2019 Supplement)

19 BY adding to
20 Article – Education
21 Section 18–19A–04.1(h)
22 Annotated Code of Maryland
23 (2018 Replacement Volume and 2019 Supplement)

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

26 **Article – Education**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 18-19A-01.

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

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

5 (c) "Board" means the Maryland 529 Board established under § 18-1904 of this
6 title.

7 (e) "Investment account" means an account established by an account holder
8 under this subtitle on behalf of a qualified designated beneficiary for the purpose of
9 applying distributions toward qualified higher education expenses at eligible educational
10 institutions.

11 (g) "Qualified designated beneficiary" has the meaning stated in § 529(e) of the
12 Internal Revenue Code.

13 18-19A-02.

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

15 18-19A-04.1.

16 (a) **(1) [For] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, FOR**
17 investment accounts established after December 31, 2016, a State contribution may be
18 made to **[an] ONE** investment account **FOR EACH QUALIFIED BENEFICIARY** as provided
19 in this section if:

20 **[(1)] (I)** The qualified beneficiary of the investment account is a
21 Maryland resident;

22 **[(2)] (II)** The account holder submits an application to the Board or its
23 designee between January 1 and June 1 of each year; and

24 **[(3)] (III)** The account holder has Maryland taxable income in the previous
25 taxable year no greater than \$112,500 for an individual or \$175,000 for a married couple
26 filing a joint return.

27 **(2) FOR STATE CONTRIBUTION APPLICATION PERIODS AFTER**
28 **DECEMBER 31, 2020, A QUALIFIED BENEFICIARY MAY NOT RECEIVE MORE THAN**
29 **ONE STATE CONTRIBUTION FOR EACH YEAR THE QUALIFIED BENEFICIARY IS**
30 **ELIGIBLE FOR THE STATE CONTRIBUTION UNDER THIS SECTION.**

1 **(H) THE BOARD MAY ADOPT ANY REGULATIONS THAT THE BOARD**
2 **CONSIDERS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.**

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2020.