

2018 Regular Session

HOUSE BILL NO. 650

BY REPRESENTATIVES FOIL, STEVE CARTER, EDMONDS, AND HAZEL

1 AN ACT

2 To amend and reenact R.S. 9:154(A)(15), R.S. 17:3129.4(C), R.S. 44:4.1(B)(9), and R.S.
3 47:1508(B)(17) and to enact Chapter 22-B of Title 17 of the Louisiana Revised
4 Statutes of 1950, to be comprised of R.S. 17:3100.1 through 3100.10, and R.S.
5 42:456.2, relative to the Louisiana Student Tuition Assistance and Revenue Trust
6 Kindergarten Through Grade Twelve Program; to create the program and provide for
7 program purpose and definitions; to provide relative to program administration by
8 the Louisiana Tuition Trust Authority and for powers and duties of the authority; to
9 provide for adoption by the authority of certain rules pursuant to the Administrative
10 Procedure Act; to provide relative to education savings accounts; to provide relative
11 to the Louisiana Education and Tuition Savings Fund; to provide for the powers and
12 duties of the office of the state treasurer with regard to the program; to apply laws
13 pertaining to abandoned property to certain program account funds; to provide a
14 public records exception for certain records of the authority pertaining to program
15 accounts; to provide relative to payroll withholdings; to provide an exception to the
16 confidentiality of the records of the secretary of the Department of Revenue relative
17 to the program; to authorize, with limitations, disbursements from education savings
18 accounts established pursuant to the Louisiana Student Tuition Assistance and
19 Revenue Trust Program for elementary and secondary school tuition expenses; and
20 to provide for related matters.

21 Be it enacted by the Legislature of Louisiana:

22 Section 1. R.S. 9:154(A)(15) is hereby amended and reenacted to read as follows:

23 §154. Presumptions of abandonment

24 A. Property is presumed abandoned if it is unclaimed by the apparent owner
25 during the time set forth below for the particular property for the following:

26 * * *

1 (15)(a) Funds in an education savings account established in accordance with
2 the Louisiana Student Tuition Assistance and Revenue Trust Program as provided
3 in Chapter 22-A of Title 17 of the Louisiana Revised Statutes of 1950; during any
4 five-year period subsequent to the beneficiary's thirty-fifth birthday.

5 (b) Funds in an education savings account established in accordance with the
6 Louisiana Student Tuition Assistance and Revenue Trust Kindergarten Through
7 Grade Twelve Program as provided in Chapter 22-B of Title 17 of the Louisiana
8 Revised Statutes of 1950 during any five-year period subsequent to the beneficiary's
9 twentieth birthday.

10 * * *

11 Section 2. R.S. 17:3129.4(C) is hereby amended and reenacted and Chapter 22-B of
12 Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3100.1 through
13 3100.10, is hereby enacted to read as follows:

14 CHAPTER 22-B. LOUISIANA STUDENT TUITION
15 ASSISTANCE AND REVENUE TRUST KINDERGARTEN
16 THROUGH GRADE TWELVE PROGRAM

17 §3100.1. Louisiana Student Tuition Assistance and Revenue Trust Kindergarten
18 Through Grade Twelve Program; creation; purpose; legislative intent

19 A. In order to provide the citizens of Louisiana with financing assistance for
20 education, there is hereby created the Louisiana Student Tuition Assistance and
21 Revenue Trust Kindergarten Through Grade Twelve Program, referred to in this
22 Chapter as the "START K12 Program" or the "program". The program shall consist
23 of the establishment of education savings accounts by individuals, groups, or
24 organizations and provisions for the routine deposit of funds to cover elementary and
25 secondary education costs of a designated beneficiary.

26 B. The legislature hereby finds that the program created by this Chapter is
27 an official state function, offered through an agency of the state that receives state
28 appropriations.

29 C.(1) It is the intention of the legislature that the program shall be a qualified
30 tuition program as defined in Section 529 of the federal Internal Revenue Code, as

1 amended. Any provision of this Chapter determined to be in conflict with any
 2 requirement of the code as applicable to a qualified tuition program shall be
 3 superseded by such code provision to the extent necessary to assure that the program
 4 continues to meet the code's definition of a qualified tuition program.

5 (2) Any requirement of this Chapter determined to be more restrictive than
 6 the requirements of the federal Internal Revenue Code as applicable to a qualified
 7 tuition program may be modified to conform with code requirements by the
 8 Louisiana Tuition Trust Authority in accordance with the Administrative Procedure
 9 Act.

10 §3100.2. Definitions

11 For the purposes of this Chapter, the following words, terms, and phrases
 12 shall have the following meanings unless the context clearly requires otherwise:

13 (1) "Authority" means the Louisiana Tuition Trust Authority.

14 (2) "Beneficiary" means a person designated in an education savings account
 15 owner's agreement, or by the authority when authorized by an account owner
 16 meeting the classification requirements of R.S. 17:3100.6(A)(1)(e), as the individual
 17 entitled to apply the savings accrued in an education savings account to the payment
 18 of his qualified education expenses.

19 (3) "Education savings account" is a savings account established by an
 20 individual, a group of individuals, or an organization pursuant to the program created
 21 by this Chapter for a beneficiary.

22 (4) "Elementary or secondary school" means a public or approved nonpublic
 23 elementary or secondary school in Louisiana that contains any of the grades
 24 kindergarten through twelve.

25 (5) "Fixed earnings" means the placement of all the deposits in an education
 26 savings account and the interest earned thereon in investments with fixed earnings.

27 (6) "Member of the family" means, with respect to any designated
 28 beneficiary:

29 (a) An individual who bears one of the following relationships to such
 30 beneficiary:

1 (i) Brother, sister, stepbrother, or stepsister.

2 (ii) Father or mother, or an ancestor of either.

3 (iii) Stepfather or stepmother.

4 (iv) Son or daughter of a brother or sister.

5 (v) Brother or sister of the father or mother.

6 (vi) Brother-in-law or sister-in-law.

7 (b) The spouse of any individual described in Subparagraph (a) of this
 8 Paragraph.

9 (7) "Other persons" means, with respect to any designated beneficiary, any
 10 person, whether natural or juridical, who is not a member of the family, including but
 11 not limited to individuals, groups, trusts, estates, associations, organizations,
 12 partnerships, and corporations.

13 (8) "Qualified education expenses" are expenses for tuition in connection
 14 with enrollment or attendance at an elementary or secondary school in grades
 15 kindergarten through twelve.

16 (9) "Redemption value" means the cash value of the education savings
 17 account attributable to the sum of the principal invested and the interest earned on
 18 principal and authorized to be credited to the account by the authority less any fees
 19 due and imposed by rule of the authority.

20 (10) "Trade date" means the date that a deposit to an investment option that
 21 includes variable earnings is assigned a value in units, the date a disbursement or
 22 refund from an investment option that includes variable earnings is assigned a value,
 23 or the date a change in investment options that includes variable earnings is assigned
 24 a value, whichever is applicable.

25 (11) "Tuition" means the expenses for tuition in connection with enrollment
 26 or attendance at an elementary or secondary school, as delineated by the authority.

27 (12) "Variable earnings" means that portion of funds in an education savings
 28 account invested in equities.

1 (13) "Variable Earnings Transaction Fund" means the subaccount established
 2 by the state treasurer within the Tuition and Savings Fund to receive earnings funds
 3 as described in R.S. 17:3100.5(F).

4 §3100.3. Louisiana Tuition Trust Authority; administration; powers

5 A. The START K12 Program shall be administered by the authority.

6 B. In addition to any other powers conferred by this Chapter or any other
 7 provision of law, the authority may do any of the following:

8 (1) Purchase insurance from insurers licensed to do business in this state
 9 providing for coverage against any loss in connection with the authority's property,
 10 assets, or activities or to further ensure the value of education savings accounts.

11 (2) Indemnify or purchase policies on behalf of members, officers, and
 12 employees of the authority from insurers licensed to do business in this state
 13 providing for coverage for any liability incurred in connection with any civil action,
 14 demand, or claim against a director, officer, or employee by reason of an act or
 15 omission by the director, officer, or employee that was not manifestly outside the
 16 scope of his employment or official duties or with malicious purpose, in bad faith,
 17 or in a wanton or reckless manner.

18 (3) Make, execute, and deliver contracts, conveyances, and other instruments
 19 necessary to the exercise and discharge of the powers and duties of the authority.

20 (4) Promote, advertise, and publicize the program.

21 (5) Enter into agreements with any agency of the state or its political
 22 subdivisions or with private employers under which an employee may agree to have
 23 a designated amount deducted in each payroll period from the wages or salary due
 24 him for the purpose of depositing said funds in the education savings account
 25 established by the employee.

26 (6) Solicit, accept, and expend gifts or grants.

27 C.(1) The authority shall, by adoption of rules pursuant to the Administrative
 28 Procedure Act, provide for the following:

29 (a) Reasonable residency requirements for beneficiaries of those applying
 30 to establish an education savings account.

1 **(b) Reasonable limits on the number of education savings account**
2 **participants.**

3 **(c) Limits on the amount which may accrue in an account on behalf of any**
4 **beneficiary.**

5 **(d) Restrictions on the substitution of one beneficiary for another.**

6 **(e) Restrictions on the transfer of ownership of education savings accounts.**

7 **(f) The rate of interest to be paid on education savings accounts of record at**
8 **the close of a calendar year. Such rate shall not be a negative rate and shall be**
9 **approved by the state treasurer.**

10 **(g) The disposition of abandoned accounts in compliance with state law.**

11 **(h) Restrictions on investment of deposits in an education savings account**
12 **and the interest earned thereon.**

13 **(i) A procedure for the authority to identify qualified students for designation**
14 **as beneficiary when authorized to make such a designation by an account owner**
15 **meeting the classification requirements of R.S. 17:3100.6(A)(1)(e).**

16 **(2) The authority may, but only by adoption of rules pursuant to the**
17 **Administrative Procedure Act, provide for any of the following:**

18 **(a) Necessary and proper fees in connection with service provided or cost**
19 **incurred in the implementation or administration of this Chapter.**

20 **(b) Such other rules as are necessary and proper for the implementation and**
21 **administration of this Chapter.**

22 **§3100.4. Cooperation of state agencies**

23 **The authority shall develop a plan for the establishment of education savings**
24 **accounts. The Board of Regents, and any other state agency requested to do so, shall**
25 **cooperate with the authority and provide technical assistance upon request. To**
26 **facilitate participation in the START K12 Program, such plan shall allow for the**
27 **deposit of small sums of money on a regular, incremental basis.**

28 **§3100.5. Education savings accounts; types, use, limitations, and disclosures**

29 **A.(1) The authority may enter into an account owner's agreement with any**
30 **person who qualifies pursuant to R.S. 17:3100.6(A) for the creation of an education**

1 savings account on behalf of a beneficiary. When the number of available
2 agreements is limited, preference shall be given to the establishment of account
3 owner agreements with resident account owners who are establishing accounts for
4 resident beneficiaries.

5 (2) Disbursements from an education savings account shall be made from the
6 account to the account owner, beneficiary, or elementary or secondary school, as
7 directed by the account owner, for the qualified education expenses of the
8 beneficiary not to exceed the redemption value of the account. The amount of all
9 disbursements from all education savings accounts with respect to a beneficiary
10 during any taxable year shall, in the aggregate, include not more than ten thousand
11 dollars in qualified education expenses incurred during the taxable year.

12 (3) Nothing in this Chapter or in any education savings account owner's
13 agreement entered into pursuant to this Chapter shall be construed as a guarantee by
14 the state, the authority, or any elementary or secondary school that a beneficiary of
15 such an account will be admitted to such a school, or, upon admission to such a
16 school, will be permitted to continue to attend or will receive a diploma or any other
17 affirmation of program completion from the school. Nothing in this Chapter or in
18 any education savings account owner's agreement entered into pursuant to this
19 Chapter shall be considered a guarantee that the beneficiary's cost of tuition at an
20 elementary or secondary school will be covered in full by the proceeds of the
21 beneficiary's education savings account.

22 (4) Subject to the limitation imposed by R.S. 17:3100.7(B), the authority
23 shall guarantee payment of the redemption value of an education savings account in
24 which the deposits and interest are invested in fixed earnings.

25 (5) Nothing in this Chapter or in any education savings account owner's
26 agreement entered into pursuant to this Chapter shall be construed as a guarantee of
27 payment of the redemption value of an education savings account by the state, the
28 authority, or any elementary or secondary school for deposits and interest invested
29 in variable earnings.

1 B. The following information shall be disclosed in writing to each person
2 completing an account owner's agreement:

3 (1) The terms and conditions for opening, maintaining, terminating, or
4 redeeming an education savings account.

5 (2) Any restrictions on the substitution of another individual for the original
6 beneficiary.

7 (3) The person entitled to terminate the account owner's agreement.

8 (4) The terms and conditions under which the agreement may be terminated
9 and the amount of the refund, if any, to which the person terminating the agreement,
10 or that person's designee, is entitled upon termination.

11 (5) The obligation of the authority to make payments to a beneficiary, or an
12 elementary or secondary school on behalf of a beneficiary pursuant to Subsection A
13 of this Section, based upon the redemption value accrued on behalf of the
14 beneficiary.

15 (6) The method by which withdrawals from the education savings account
16 shall be applied toward payment of qualified education expenses.

17 (7) The period of time during which the beneficiary may receive benefits
18 under the agreement.

19 (8) The terms and conditions under which money may be wholly or partially
20 withdrawn from the program.

21 (9) A clear statement that the act of establishing an education savings
22 account pursuant to this Chapter does not guarantee full payment of tuition on behalf
23 of the beneficiary.

24 (10) A clear statement of fees that may be imposed and collected and an
25 estimate of the amount of such fees for the two years following the establishment of
26 an agreement.

27 (11) All other rights and obligations of the purchaser and the authority and
28 any other terms, conditions, and provisions the authority considers necessary and
29 appropriate.

1 C. An education savings account owner's agreement may provide that the
 2 authority shall pay directly to the elementary or secondary school in which the
 3 beneficiary is enrolled the amount represented by the qualified education expenses
 4 incurred that term, subject to the limitations provided in Paragraph (A)(2) of this
 5 Section.

6 D. Prior to the close of the calendar year in which the program is
 7 implemented and each year thereafter on a date specified by the authority, the state
 8 treasurer shall determine and report to the authority the total earnings and the rate of
 9 return achieved on deposits in the Louisiana Education Tuition and Savings Fund.
 10 Based upon the fund's reported earnings, the authority shall establish the rate of
 11 interest to be applied to the accumulated principal and interest in education savings
 12 accounts of record, subject to approval by the state treasurer. The authority shall
 13 calculate and credit the appropriate amount of interest earnings to each such account
 14 prior to the close of the calendar year.

15 E. If the redemption value of an education savings account is in excess of the
 16 maximum allowed to be saved pursuant to the provisions of 26 U.S.C. 529 as
 17 amended, the excess value shall be treated in accordance with R.S. 17:3100.7.

18 F.(1) Checks and electronic funds transfers through the Automated Clearing
 19 House Network, or its successor, received for deposit in a variable earnings option
 20 shall be invested by the state treasurer in fixed earnings prior to the trade date. All
 21 earnings from such investments from the beginning of the program shall be the
 22 property of the state and shall be deposited in the Variable Earnings Transaction
 23 Fund.

24 (2) Any increase in the value of an account over the amount deposited shall
 25 be forfeited by the account owner and deposited in the Variable Earnings Transaction
 26 Fund if the deposit was used to purchase units in a variable earnings option and made
 27 by check or Automated Clearing House Network a transfer that, subsequent to the
 28 trade date, was not honored by the financial institution on which it was drawn.

29 (3) Any increase in the value of an account over the amount deposited shall
 30 be forfeited by the account owner and deposited in the Variable Earnings Transaction

1 Fund if the account was invested in a variable earnings option and terminated within
2 twelve months of the date the account was opened.

3 (4) The monies in the Variable Earnings Transaction Fund shall be used by
4 the authority to pay a financial institution's charges and any loss in value between the
5 purchase and redemption of units in a variable earnings option resulting from a check
6 deposit or Automated Clearing House Network transfer that, subsequent to the trade
7 date, is not honored by the financial institution on which it was drawn.

8 §3100.6. Education savings accounts; creation, terms, and conditions

9 A.(1) An education savings account shall be established for a person who is
10 determined by the authority to qualify under one of the following classifications:

11 (a) A person determined by the authority to be the parent, grandparent, or
12 court-ordered custodian of the person being designated as beneficiary of the account
13 or who claims the person being designated as beneficiary as a dependent on his
14 federal income tax return, and at the time of the initiation of the agreement, the
15 person or beneficiary is a resident of the state.

16 (b) A person determined by the authority to be a member of the family of the
17 beneficiary, and at the time of the initiation of the agreement, the person or the
18 beneficiary is a resident of the state.

19 (c) Any other person, and at the time of the initiation of the agreement, the
20 beneficiary is a resident of the state.

21 (d) Any other person who, at the time of the initiation of the agreement, is
22 a resident of the state and the beneficiary is not a resident of the state.

23 (e) Any other person or any government entity, and at the time of the
24 initiation of the agreement:

25 (i) The beneficiary is a resident of the state.

26 (ii) The federal adjusted income of the beneficiary's family is less than thirty
27 thousand dollars or the beneficiary is eligible for a free lunch under the Richard B.
28 Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

1 (iii) The beneficiary is not a member of the account owner's family nor a
 2 member of the family of any member or employee of the authority or the office of
 3 student financial assistance.

4 (iv) The deposits to the account are an irrevocable donation by the owner.

5 (2) The person completing the account owner's agreement for an education
 6 savings account shall be the "owner" of the account.

7 B.(1)(a) An education savings account may have only one designated
 8 beneficiary. The account owner shall designate the beneficiary; however, an account
 9 owner meeting the classification requirements of Subparagraph (A)(1)(e) of this
 10 Section may authorize the authority to designate the beneficiary.

11 (b) The beneficiary designated by the authority shall meet the following
 12 minimum qualifications:

13 (i) Be a resident of the state.

14 (ii) The federal adjusted gross income of the beneficiary's family must be
 15 less than thirty thousand dollars or the beneficiary must be eligible for a free lunch
 16 under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

17 (iii) Not be a member of the account owner's family nor a member of the
 18 family of any member or employee of the authority and the office of student
 19 financial assistance.

20 (2) Persons who are eligible to establish an education savings account for
 21 more than one beneficiary shall establish a separate account for each beneficiary.
 22 The account shall be subject to all other terms, conditions, and fees applicable to an
 23 education savings account.

24 C. The right of a beneficiary to the assets of an education savings account
 25 shall not be subject to and is expressly dispensed from collation, execution,
 26 garnishment, attachment, the operation of bankruptcy or the insolvency laws or other
 27 process of law. Monies paid into or out of the assets and the income of any validly
 28 existing qualified tuition program authorized by Section 529 of the Internal Revenue
 29 Code of 1986 as amended, including but not limited to an education savings account
 30 as defined in R.S. 17:3100.2, shall not be liable to attachment, levy, garnishment, or

1 legal process in the state in favor of any creditor of or claimant against any program
2 participant, owner, contributor, or program.

3 §3100.7. Termination of depositor's agreements; refund; conversion of the account
4 to money; transfers

5 A.(1) Unless otherwise provided for in the agreement, an education savings
6 account owner's agreement may be terminated by the person entering into the
7 agreement, the beneficiary, or by any person or combination of persons designated
8 in the agreement as provided in this Section.

9 (2) An education savings account owner's agreement may be terminated
10 under any of the following circumstances:

11 (a) Upon the death of the beneficiary.

12 (b) Upon notification to the authority in writing that the beneficiary has
13 decided not to attend an elementary or secondary school that charges tuition and
14 requests that the education savings account be terminated.

15 (c) Upon completion of the requirements for a diploma or other affirmation
16 of program completion at an elementary or secondary school.

17 (d) Upon the occurrence of other circumstances determined by the authority
18 to be grounds for termination.

19 B.(1) The authority shall determine the method and schedule for payment of
20 refunds upon termination of an education savings account.

21 (2) The amount of the refund to which the person designated in the account
22 owner's agreement is entitled shall be equal to the following:

23 (a) The actual amount of the deposits or the current value of the deposits,
24 whichever is less, if the account has been open for less than twelve months.

25 (b) The redemption value of the education savings account invested in fixed
26 earnings at the time of the refund and interest earned thereon, previously credited but
27 not expended from the account, if the account has been open for twelve or more
28 months.

1 (c) The value of the education savings account invested in variable earnings
 2 at the time of the refund and interest earned thereon previously credited but not
 3 expended from the account, if the account has been open for twelve or more months.

4 (3) Monies in accounts opened by juridical persons or classified under R.S.
 5 17:3100.6(A)(1)(e) may not be refunded; however, the account owner or the
 6 authority, if the account owner has authorized the authority to designate the
 7 beneficiary, may designate a new beneficiary:

8 (a) Upon the death of the beneficiary.

9 (b) If the beneficiary has decided not to attend an elementary or secondary
 10 school that charges tuition.

11 (c) Upon the beneficiary's completion of the requirements for a diploma or
 12 other affirmation of program completion at an elementary or secondary school.

13 C. If the beneficiary is the recipient of a scholarship, waiver of tuition, or
 14 similar subvention that the authority determines cannot be converted into money by
 15 the beneficiary, the authority shall, during each academic term that the beneficiary
 16 furnishes the authority such information about the scholarship, waiver, or similar
 17 subvention as the authority requires, refund to the person designated in the owner's
 18 agreement an amount from the owner's education savings account equal to the value
 19 of the scholarship, waiver, or similar subvention awarded to the beneficiary. The
 20 authority may, at its sole option, designate the school at which the beneficiary is
 21 enrolled as the agent of the authority for purposes of refunds pursuant to this
 22 Subsection.

23 D. If, in any academic term for which withdrawals from the education
 24 savings account have been used to pay all or part of a beneficiary's qualified
 25 education expenses, the beneficiary withdraws from the school at which the
 26 beneficiary is enrolled prior to the end of the academic term, a pro rata share of any
 27 refund of the qualified education expenses resulting from the beneficiary's
 28 withdrawal from the school, equal to that portion of the qualified education expenses
 29 paid by disbursements from the education savings account, shall be made to the

1 authority, unless the authority designates a different procedure. The authority shall
2 credit any refund to the appropriate education savings account.

3 E. An account owner may not transfer or roll over any amount from an
4 education savings account created pursuant to Chapter 22-A of this Title to an
5 education savings account created pursuant to this Chapter.

6 §3100.8. Louisiana Education and Tuition Savings Fund; use

7 A. The assets of the authority reserved for payment of the obligations of the
8 authority pursuant to its agreements with account owners shall be placed in the
9 Louisiana Education Tuition and Savings Fund created pursuant to R.S.
10 17:3129.4(C). Funds received by the authority from persons making deposits in their
11 education savings accounts, all interest and investment income earned by the fund,
12 and all other receipts of the authority from any other source which the authority
13 determines appropriate shall be deposited in the fund. Any claim for redemption or
14 withdrawal pursuant to an education savings account owner's agreement shall be
15 solely against the assets of the fund. No account owner or beneficiary of an
16 education savings account shall have any claim against the state general fund or
17 other funds or revenue sources of the state, or against the funds of any elementary
18 or secondary school.

19 B. Unless otherwise provided by the authority, the assets of the START K12
20 Program in the Tuition and Savings Fund shall be expended in the following order:

21 (1) To make payments to beneficiaries or elementary or secondary schools
22 on behalf of beneficiaries.

23 (2) To make refunds.

24 C. Notwithstanding the provisions of any other law, if at any time the
25 amount in the Tuition and Savings Fund is insufficient to meet the payment demands
26 made upon the fund which represent obligations listed in Subsection B of this
27 Section, then the funds necessary to meet these payment obligations in full shall be
28 appropriated.

29 D. All disbursements from the program shall be made by the treasurer on
30 order of the authority.

1 E. The treasurer shall cause the investment of the assets of the program in
2 the fund and, notwithstanding R.S. 17:3129.4(C), may cause investment in any
3 investments in which public retirement boards are authorized by law to invest,
4 provided that up to one hundred percent of deposits to an education savings account
5 may be invested in equity securities when an account owner has selected an equity
6 investment option and that such investments in equity securities shall not be included
7 in any limitation on investment in equity securities. The instruments of title of all
8 investments shall be delivered to the state treasurer or to a qualified trustee
9 designated by him. Assets of the program in the fund shall be administered by the
10 treasurer so that the assets will achieve the highest possible investment return to
11 education savings accounts consistent with the security of principal, and be sufficient
12 to satisfy the obligations of the authority.

13 F. The authority shall maintain an individual account for each account
14 owner's agreement showing the beneficiary of that agreement and the accumulated
15 value of the principal deposited and interest earned on deposits pursuant to that
16 agreement. Upon request of any beneficiary or person who has entered into an
17 account owner's agreement, the authority shall provide a statement indicating, in the
18 case of a beneficiary or in the case of a person who has entered into an account
19 owner's agreement, the accumulated value of the principal deposited, interest earned
20 on deposits, and the amounts used or refunded, pursuant to the agreement. A
21 beneficiary and an account owner may request a statement under this Subsection at
22 any time, subject to any fee that the authority may impose for requests in excess of
23 one per year.

24 G. In January of each year, the authority shall report to each person who
25 received any payment or refund from the authority during the preceding year
26 information relative to the value of such payment or refund.

27 H. All records of the authority indicating the identity of owners and
28 beneficiaries of education savings accounts and the amounts used or refunded under
29 an account owner's agreement are not public records.

1 §3100.9. Annual financial report; audits

2 The authority shall be audited in accordance with the provisions of R.S.
3 24:513. The audit shall be conducted in conjunction with the audit conducted
4 pursuant to R.S. 17:3099.1. A copy of the audit report shall be provided to the
5 governor and the legislature pursuant to R.S. 24:772. Copies of the audited financial
6 report also shall be made available, upon request, to persons entering into contracts
7 with the authority and to prospective account owners in education savings accounts.

8 §3100.10. Effectiveness

9 The authority shall undertake operation of the program created by this
10 Chapter upon receipt of an appropriation or an award or donation from any other
11 source sufficient to fund the authority's initial start-up and operational expenses.
12 Funds appropriated, awarded, or donated to the authority for this purpose shall be
13 carried forward from year to year and may be expended by the authority as
14 appropriated. Appropriations to the authority from the Tuition and Savings Fund
15 which remain at the end of each fiscal year shall not be returned to the general fund
16 but shall be deposited in the Tuition and Savings Fund.

17 * * *

18 §3129.4. Louisiana Education Tuition and Savings Plan and Fund

19 * * *

20 C.(1) There shall be established in the state treasury as a special permanent
21 fund the Louisiana Education Tuition and Savings Fund, hereinafter referred to as
22 the "Tuition and Savings Fund". The fund shall be comprised of ~~separate accounts~~
23 one account for both the Louisiana Student Tuition Assistance and Revenue Trust
24 Program established in Chapter 22-A of this Title and the Louisiana Student Tuition
25 Assistance and Revenue Trust Kindergarten Through Grade Twelve Program
26 established in Chapter 22-B of this Title and a separate account for the educational
27 savings program authorized by this Section. A "Savings Enhancement Fund" shall
28 be established as a special permanent sub-account within the Louisiana Student
29 Tuition Assistance and Revenue Trust Program and Louisiana Student Tuition
30 Assistance and Revenue Trust Kindergarten Through Grade Twelve Program

1 Account. As budgeted by the Louisiana Tuition Trust Authority, the legislature shall
 2 annually appropriate state general funds to be deposited by the state treasurer in the
 3 Savings Enhancement Fund. Monies in the Savings Enhancement Fund shall be
 4 used, as appropriated, to make earnings enhancements to the beneficiaries of eligible
 5 education savings accounts established under the Louisiana Student Tuition
 6 Assistance and Revenue Trust Program by Chapter 22-A of this Title. All revenues
 7 and interest earnings generated pursuant to programs of the Louisiana Education
 8 Tuition and Savings Plan, ~~and the Louisiana Student Tuition Assistance and Revenue~~
 9 ~~Trust Program, and the Louisiana Student Tuition Assistance and Revenue Trust~~
 10 Kindergarten Through Grade Twelve Program shall be credited to their respective
 11 fund accounts or sub-accounts. The monies in this fund shall be used solely to
 12 finance the permitted educational benefits provided by the respective programs. All
 13 unexpended and unencumbered monies in fund accounts and their respective sub-
 14 accounts at the end of a fiscal year shall remain in such fund accounts or sub-
 15 accounts and be available for appropriation in the next fiscal year. The monies in the
 16 fund shall be invested by the state treasurer in accordance with state law and as
 17 provided for by program rules, regulations, and guidelines, and interest earned on the
 18 investment of these monies shall be credited to the respective fund accounts or sub-
 19 accounts, following compliance with the requirement of Article VII, Section 9(B) of
 20 the ~~constitution~~ Constitution of Louisiana relative to the Bond Security and
 21 Redemption Fund. However, principal deposited by account owners and interest
 22 earned thereon is not public money and therefore is not subject to the requirements
 23 of Article VII, Section 9(B) of the ~~constitution~~ Constitution of Louisiana.

24 (2) The legislature shall make yearly appropriations from the respective
 25 account and sub-account, if applicable, to the Board of Regents for the purposes
 26 established in this Section and to the Louisiana Tuition Trust Authority for the
 27 purposes established in Chapter 22-A and Chapter 22-B of this Title.

28 * * *

29 Section 3. R.S. 42:456.2 is hereby enacted to read as follows:

1 §456.2. Permitted withholding; Louisiana Student Tuition Assistance and Revenue
2 Trust Kindergarten Through Grade Twelve Program

3 A. Notwithstanding any law, rule, or regulation to the contrary, any
4 employee of the state or of a political subdivision in the state may authorize his
5 employing department, office, or agency to withhold from his salary a specific
6 amount for such pay periods as may be designated, for deposit into an education
7 savings account as provided for by R.S. 17:3100.1 et seq., relative to the Louisiana
8 Student Tuition Assistance and Revenue Trust Kindergarten Through Grade Twelve
9 Program, referred to in this Section as the "START K12 Program".

10 B. Distribution of funds to a START K12 Program education savings
11 account shall be made based upon the payroll deduction collection record of the
12 department, office, or agency.

13 C. No withholding may be made from the earnings of any employee for the
14 purposes permitted by this Section unless the withholding is specifically and
15 voluntarily authorized by the employee in writing. Any amount withheld in
16 accordance with the provisions of this Section shall be remitted to the START K12
17 Program on a regularly scheduled basis as prescribed by rules adopted in accordance
18 with the Administrative Procedure Act by the Louisiana Tuition Trust Authority.

19 Section 4. R.S. 44:4.1(B)(9) is hereby amended and reenacted to read as follows:

20 §4.1. Exceptions

21 * * *

22 B. The legislature further recognizes that there exist exceptions, exemptions,
23 and limitations to the laws pertaining to public records throughout the revised
24 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
25 limitations are hereby continued in effect by incorporation into this Chapter by
26 citation:

27 * * *

28 (9) R.S. 17:7.2, 46, 47, 81.9, ~~334~~, 391.4, 500.2, 1175, 1202, 1237, 1252,
29 1952, 1989.7, 2047, 2048.31, 3099, 3100.8, 3136, 3390, 3773, 3884

30 * * *

1 Section 5. R.S. 47:1508(B)(17) is hereby amended and reenacted to read as follows:

2 §1508. Confidentiality of tax records

3 * * *

4 B. Nothing herein contained shall be construed to prevent:

5 * * *

6 (17) The furnishing of a taxpayer's reported federal adjusted gross income
7 as requested by the office of student financial assistance when based on certification
8 by the office that the confidentiality of such information will be respected and that
9 it holds an agreement signed by the taxpayer authorizing the release of this
10 information for the purpose of considering the eligibility of the taxpayer's beneficiary
11 for a tuition assistance grant under the Louisiana Student Tuition Assistance and
12 Revenue Trust Program as provided for by Chapter 22-A of Title 17 of the Louisiana
13 Revised Statutes of 1950, for the purpose of considering the eligibility of the
14 taxpayer's beneficiary for participation in the Louisiana Student Tuition Assistance
15 and Revenue Trust Kindergarten Through Grade Twelve Program as provided for by
16 Chapter 22-B of Title 17 of the Louisiana Revised Statutes of 1950, or for the
17 purpose of considering the eligibility of the taxpayer's dependent child for an award
18 under the Louisiana Taylor Opportunity Program for Students as provided for by
19 Chapter ~~20-G~~ 50 of Title 17 of the Louisiana Revised Statutes of 1950.

20 * * *

21 Section 6. Funds that were deposited prior to January 1, 2018, to an education
22 savings account that was established in accordance with Chapter 22-A of Title 17 of the
23 Louisiana Revised Statutes of 1950 may be disbursed in 2018 to pay tuition as defined in this
24 Act at an elementary or secondary school as defined in this Act. Any such disbursement
25 shall not include earnings enhancements or interest thereon that may have accrued to the
26 account. The total amount of disbursements from all such accounts with respect to a
27 beneficiary shall not exceed ten thousand dollars.

28 Section 7. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature
30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____