

SENATE BILL 475

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EMERGENCY BILL

3lr2459
CF 3lr3023

By: **Senators Klausmeier, Augustine, Brooks, Carozza, Elfreth, Feldman, Gallion, Hershey, Gile, Kramer, Rosapepe, Guzzone, Muse, Ready, Salling, and Zucker**

Introduced and read first time: February 3, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Workgroup on the Maryland 529 Prepaid College Trust Program**

3 FOR the purpose of establishing the Workgroup on the Maryland 529 Prepaid College Trust
4 Program; requiring the Workgroup to identify policies, procedures, and practices
5 that led to certain issues for Maryland 529 account holders; requiring the Workgroup
6 to develop and make recommendations for improvement in certain areas; and
7 generally relating to the Workgroup on the Maryland 529 Prepaid College Trust
8 Program.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That:

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

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

13 (1) the Executive Director of Maryland 529;

14 (2) the Maryland 529 Board;

15 (3) four Maryland 529 account holders who have experienced issues
16 accessing their funds;

17 (4) one member of the Senate of Maryland, appointed by the President of
18 the Senate; and

19 (5) one member of the House of Delegates, appointed by the Speaker of the
20 House.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) The Department of Legislative Services shall provide staff for the Workgroup.

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

4 (e) A member of the Workgroup:

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

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

8 (f) The Workgroup shall:

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

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

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

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

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
24 measure, is necessary for the immediate preservation of the public health or safety, has
25 been passed by a ye and nay vote supported by three-fifths of all the members elected to
26 each of the two Houses of the General Assembly, and shall take effect from the date it is
27 enacted. It shall remain effective through June 1, 2024, and, at the end of June 1, 2024,
28 this Act, with no further action required by the General Assembly, shall be abrogated and
29 of no further force and effect.