

SECOND REGULAR SESSION

# SENATE BILL NO. 941

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SATER.

Read 1st time January 28, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4858S.02I

## AN ACT

To amend chapter 166, RSMo, by adding thereto one new section relating to savings accounts for higher 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 defined 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 show me child savings account program created in this section;**

**(4) "Program fund", the show me child savings account program fund created in this section;**

**(5) "Qualified child":**

**(a) An individual born on or after January 1, 2021, whose parent is a resident of this state at the time of birth and who is a resident at**

22 the time that the scholarship grant is applied for or received; or

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

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

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

35 3. There is hereby created the "Show Me Child Savings Account  
36 Program". The program shall be administered by the state treasurer as  
37 provided in this section.

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

44 (1) Parent's full name;

45 (2) Parent's address;

46 (3) Full name; and

47 (4) Date of birth.

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

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

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

62       **6. (1) There is hereby created in the state treasury the "Show Me**  
63 **Child Savings Account Program Fund", which shall receive deposits,**  
64 **make disbursements, and be administered in compliance with the**  
65 **provisions of this section.**

66       **(2) Subject to appropriation and the availability of moneys in the**  
67 **program fund, moneys in the program fund shall be used to provide a**  
68 **one-time scholarship grant in an amount of one hundred dollars and to**  
69 **pay for personal service, equipment, and other expenses of the**  
70 **treasurer related to the administration of this section. Nothing in this**  
71 **section shall be construed to prevent the general assembly from making**  
72 **appropriations to the program fund from other permissible sources.**

73       **(3) Notwithstanding any other provisions of law to the contrary,**  
74 **moneys shall be deposited in the program fund and administered in**  
75 **accordance with the following provisions:**

76       **(a) On a daily basis, the state treasurer shall apportion any**  
77 **interest or other increment derived from the investment of funds in an**  
78 **amount proportionate to the average daily balance of funds in the state**  
79 **treasury. The treasurer shall use a method in accordance with**  
80 **generally accepted accounting principles in apportioning and**  
81 **distributing that interest or increment. After satisfying the**  
82 **requirements of section 30.605 and prior to distributing that interest**  
83 **or increment, the treasurer shall deduct the costs incurred by the**  
84 **treasurer in administering this section in proportion to the average**  
85 **daily balance of the amounts deposited to each fund in the state**  
86 **treasury. The treasurer shall then deposit the identified portion of the**  
87 **daily interest receipts in the program fund. All other remaining**  
88 **interest received on the investment of state funds shall be allocated**  
89 **and deposited to funds in the state treasury as required by law;**

90       **(b) The total costs for scholarship grants, personal service,**  
91 **equipment, and other expenses of the treasurer related to this section,**  
92 **exclusive of any personal service, equipment, and other expenses**  
93 **attributable to positions wholly dedicated to the functions described in**  
94 **chapter 447, and any banking fees and other banking-related costs,**  
95 **shall not exceed thirty-five basis points, or thirty-five-hundredths of**

96 one percent, of the total of the average daily fund balance of funds in  
97 the state treasury.

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

101 (5) The provisions of this section shall not apply to the state road  
102 fund created in section 226.220, the motor fuel tax fund created in  
103 section 142.345, the state highways and transportation department fund  
104 created in section 226.200, the state transportation fund created in  
105 section 226.225, and the state road bond fund created in Article IV,  
106 Section 30(b) of the Constitution of Missouri.

107 7. (1) The state treasurer shall establish a separate savings  
108 account under sections 166.400 to 166.456 for each eligible child and  
109 shall deposit scholarship grants and the interest earnings as calculated  
110 under this section in such separate accounts.

111 (2) Any separate account established under this subsection shall  
112 be exempt for purposes of determining eligibility for public assistance,  
113 provided that the federal rules for such programs permit such an  
114 exemption.

115 (3) If an eligible child moves out of the state prior to applying  
116 for and receiving the grant, funds in the account provided by the state  
117 shall revert back to the Missouri children's savings account fund.

118 (4) If an eligible child reaches twenty-six years of age prior to  
119 applying for or receiving the grant, funds in the account provided by  
120 the state shall revert back to the Missouri children's savings account  
121 fund.

122 8. Funds deposited into the accounts shall be invested only in  
123 those investments which a prudent person acting in a like capacity and  
124 familiar with such matters would use in the conduct of an enterprise  
125 of a like character and with like aims, as provided in section 105.688.

126 9. The state treasurer may promulgate all necessary rules and  
127 regulations for the administration of this section, including  
128 establishing a process for eligible children to apply for and receive  
129 grant funds. Any rule or portion of a rule, as that term is defined in  
130 section 536.010, that is created under the authority delegated in this  
131 section shall become effective only if it complies with and is subject to  
132 all of the provisions of chapter 536 and, if applicable, section

133 **536.028. This section and chapter 536 are nonseverable, and if any of**  
134 **the powers vested with the general assembly pursuant to chapter 536**  
135 **to review, to delay the effective date, or to disapprove and annul a rule**  
136 **are subsequently held unconstitutional, then the grant of rulemaking**  
137 **authority and any rule proposed or adopted after August 28, 2020, shall**  
138 **be invalid and void.**

✓

Unofficial

Bill

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