

AMENDMENTS TO LB52

Introduced by Government, Military and Veterans Affairs.

1 1. Insert the following new sections:

2 Sec. 2. Section 85-1807, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 85-1807 (1) The State Treasurer shall deposit money received by the
5 Nebraska educational savings plan trust into three funds: The College
6 Savings Plan Program Fund, the College Savings Plan Expense Fund, and the
7 College Savings Plan Administrative Fund. The State Treasurer shall
8 deposit money received by the trust into the appropriate fund. The State
9 Treasurer and Accounting Administrator of the Department of
10 Administrative Services shall determine the state fund types necessary to
11 comply with section 529 of the Internal Revenue Code and state policy.
12 The money in the funds shall be invested by the state investment officer
13 pursuant to policies established by the Nebraska Investment Council. The
14 program fund, the expense fund, and the administrative fund shall be
15 separately administered. The Nebraska educational savings plan trust
16 shall be operated with no General Fund appropriations.

17 (2) The College Savings Plan Program Fund is created. All money paid
18 by participants in connection with participation agreements and all
19 investment income earned on such money shall be deposited as received
20 into separate accounts within the program fund. Contributions to the
21 trust made by participants may only be made in the form of cash. All
22 funds generated in connection with participation agreements shall be
23 deposited into the appropriate accounts within the program fund. A
24 participant or beneficiary shall not provide investment direction
25 regarding program contributions or earnings held by the trust. Money
26 accrued by participants in the program fund may be used for payments to
27 any eligible educational institution. Any money in the program fund

1 available for investment shall be invested by the state investment
2 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
3 State Funds Investment Act.

4 (3) The College Savings Plan Administrative Fund is created. Money
5 from the trust transferred from the expense fund to the administrative
6 fund in an amount authorized by an appropriation from the Legislature
7 shall be utilized to pay for the costs of administering, operating, and
8 maintaining the trust, to the extent permitted by section 529 of the
9 Internal Revenue Code. The administrative fund shall not be credited with
10 any money other than money transferred from the expense fund in an amount
11 authorized by an appropriation by the Legislature or any interest income
12 earned on the balances held in the administrative fund. Any money in the
13 administrative fund available for investment shall be invested by the
14 state investment officer pursuant to the Nebraska Capital Expansion Act
15 and the Nebraska State Funds Investment Act.

16 (4) The College Savings Plan Expense Fund is created. The expense
17 fund shall be used to pay costs associated with the Nebraska educational
18 savings plan trust and shall be funded with fees assessed to the program
19 fund. The State Treasurer shall transfer from the expense fund to the
20 State Investment Officer's Cash Fund an amount equal to the pro rata
21 share of the budget appropriated to the Nebraska Investment Council as
22 permitted in section 72-1249.02, to cover reasonable expenses incurred
23 for investment management of the Nebraska educational savings plan trust.
24 Annually and prior to such transfer to the State Investment Officer's
25 Cash Fund, the State Treasurer shall report to the budget division of the
26 Department of Administrative Services and to the Legislative Fiscal
27 Analyst the amounts transferred during the previous fiscal year. The
28 report submitted to the Legislative Fiscal Analyst shall be submitted
29 electronically. ~~Transfers may be made from the expense fund to the~~
30 ~~General Fund at the direction of the Legislature.~~ Any money in the
31 expense fund available for investment shall be invested by the state

1 investment officer pursuant to the Nebraska Capital Expansion Act and the
2 Nebraska State Funds Investment Act.

3 Sec. 3. Section 85-1813, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 85-1813 The assets of the Nebraska educational savings plan trust,
6 including the program fund and excluding the administrative fund and the
7 expense fund, shall at all times be preserved, invested, and expended
8 solely and only for the purposes of the trust and shall be held in trust
9 for the participants and beneficiaries. No property rights in the trust
10 shall exist in favor of the state. Assets ~~Such assets~~ of the trust,
11 including the program fund, the administrative fund, and the expense
12 fund, shall not be transferred or used by the state for any purposes
13 other than the purposes of the trust.

14 Sec. 4. Original sections 85-1807 and 85-1813, Reissue Revised
15 Statutes of Nebraska, are repealed.

16 2. On page 2, line 4, strike the second "and"; in line 7 strike
17 "appropriated" and insert "used"; and in line 8 after "funds" insert ";
18 and

19 (c) Trust funds means all trust funds identified by Nebraska
20 statutes, all funds pledged for the payment of bonds, all accounts held
21 by a trustee related to a bond issue, and all funds held related to a
22 lease financing or other similar financing".