

STATE OF NEW YORK

9700

IN SENATE

May 22, 2024

Introduced by Sen. STAVISKY -- (at request of the State Comptroller) --
read twice and ordered printed, and when printed to be committed to
the Committee on Higher Education

AN ACT to amend the education law, in relation to the New York state
college choice tuition savings program

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

- 1 Section 1. Subdivision 2 of section 695-c of the education law, as
2 added by chapter 546 of the laws of 1997, is amended to read as follows:
3 2. In furtherance of such implementation the memorandum of understand-
4 ing shall address the authority and responsibility of the comptroller
5 and the corporation to:
6 a. develop and implement the program in a manner consistent with the
7 provisions of this article through rules and regulations established in
8 accordance with the state administrative procedure act;
9 b. engage the services of consultants on a contract basis for render-
10 ing professional and technical assistance and advice;
11 c. seek rulings and other guidance from the United States Department
12 of the Treasury and the Internal Revenue Service relating to the
13 program;
14 d. make changes to the program required for the participants in the
15 program to obtain the federal income tax benefits or treatment provided
16 by section 529 of the Internal Revenue Code of 1986, as amended, or any
17 similar successor legislation;
18 e. charge, impose, and collect administrative fees and service charg-
19 es in connection with any agreement, contract or transaction relating to
20 the program;
21 f. develop marketing plans and promotion material;
22 g. establish the methods by which the funds held in such accounts be
23 ~~dispersed~~ disbursed;
24 h. establish the method by which funds shall be allocated to pay for
25 administrative costs and, to the extent the comptroller and the corpo-
26 ration jointly determine that funds are available after payment of
27 administrative costs, to support scholarship and grant programs in

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD14506-02-4

1 furtherance of program purposes, in each case in accordance with rules
2 and regulations promulgated by the comptroller in consultation with the
3 corporation; [~~and~~]

4 i. develop and implement scholarship and grant programs as the comp-
5 troller, in consultation with the corporation, may deem appropriate to
6 carry out the purposes of this article; and

7 j. do all things necessary and proper to carry out the purposes of
8 this article.

9 § 2. Subdivision 12 of section 695-e of the education law, as amended
10 by chapter 593 of the laws of 2003, is amended to read as follows:

11 12. a. A state or local government or organization described in
12 section 501(c)(3) of the Internal Revenue Code of 1986, as amended, may
13 open and become the account owner of [~~an account~~] one or more accounts
14 to fund scholarships or grants for persons whose identity is known or
15 will be determined upon disbursement.

16 b. In the case of any account opened pursuant to paragraph a of this
17 subdivision the requirement set forth in subdivision two of this section
18 that a designated beneficiary be designated when an account is opened
19 shall not apply and each individual who receives an interest in such
20 account as a scholarship or grant shall be treated as a designated bene-
21 ficiary with respect to such interest.

22 § 3. This act shall take effect immediately.