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EDUCATION DOUBLING IN THE LAST FIVE YEARS OF THE LAST DECADE, DURING A PERIOD OF EXTREMELY LOW INFLATION.

THE LEGISLATURE FURTHER FINDS AND DETERMINES THAT THE STATE OF NEW YORK MUST ADVANCE TWO GOALS TO ASSIST ALL ITS CITIZENS TO MORE EASILY AFFORD A COLLEGE EDUCATION. FIRST TO ASSIST NEW YORKERS TO SAVE FOR THEIR CHILDREN'S EDUCATION, IN A NON-TAXABLE, RESPONSIBLE, AND PRODUCTIVE MANNER THAT WILL NOT OVERBURDEN THE PARENTS. SECOND TO GUARANTEE NEW YORKERS WHO DO SO PARTICIPATE IN THIS PROGRAM, THAT UPON THE COMPLETION OF THE PAYMENT SCHEDULE, THAT THEY CAN OBTAIN A FOUR YEAR, DEBT FREE, HIGH QUALITY, AND COMPLETELY PAID COLLEGE EDUCATION. SUCH A PREPAID COLLEGE EDUCATION WOULD ADVANCE EDUCATIONAL OPPORTUNITY ACROSS THE STATE AND ESPECIALLY ASSIST MIDDLE CLASS FAMILIES WHO ARE NOT ELIGIBLE FOR OTHER TUITION ASSISTANCE PROGRAMS.

THE LEGISLATURE ADDITIONALLY FINDS AND DETERMINES, THAT THE BEST WAY TO ENSURE THE SUCCESS OF A PREPAID COLLEGE EDUCATION PROGRAM IS TO ESTABLISH A PUBLIC BENEFIT CORPORATION FOR ITS ADMINISTRATION. SUCH A PUBLIC BENEFIT CORPORATION WOULD ADVANCE THESE GOALS BY PROVIDING A SOLVENT, ASSURED, AND FISCALLY RESPONSIBLE VEHICLE TO OFFER THE BENEFITS OF SAVING FOR A COLLEGE EDUCATION TO ALL NEW YORKERS. IN DOING SO, IT WOULD OFFER ALL NEW YORK FAMILIES THE OPPORTUNITY TO MORE EASILY FINANCE A COLLEGE EDUCATION.

THE LEGISLATURE FURTHER FINDS AND DETERMINES THAT IN THIS NEW AGE OF INFORMATION, THE DELIVERY OF A COLLEGE EDUCATION TO EVERY NEW YORKER WHO WANTS ONE IS CRITICALLY IMPORTANT TO OUR STATE. EDUCATION OPENS THE DOORS OF OPPORTUNITY, AND THE PUBLIC BENEFIT CORPORATION ESTABLISHED BY THIS TITLE, WILL PERMIT MANY MORE PEOPLE TO NOT ONLY OPEN THAT DOOR, BUT ALSO WALK THROUGH IT WITHOUT AN UNBEARABLE COST OR DEBT BURDEN THAT WOULD OTHERWISE IMPAIR THEIR FUTURE.

S 1750-B. DEFINITIONS. 1. "PARTICIPANT" SHALL MEAN ANY PERSON WHO IS A RESIDENT OF THE STATE OF NEW YORK FOR WHOSE BENEFIT CONTRIBUTIONS INTO THE EMPIRE STATE COLLEGE SAVINGS PROGRAM HAVE BEEN MADE.

2. "CONTRIBUTOR" SHALL MEAN ANY PERSON WHO MAKES CONTRIBUTIONS INTO THE EMPIRE STATE COLLEGE SAVINGS PROGRAM ON BEHALF OF A PARTICIPANT.

3. "ELIGIBLE PARTICIPANT" SHALL MEAN ANY ENROLLED PARTICIPANT FOR WHOM ALL CONTRIBUTIONS PURSUANT TO SECTION SEVENTEEN HUNDRED FIFTY-F OF THIS TITLE HAVE BEEN MADE.

4. "ENROLLED PARTICIPANT" IS ANY PARTICIPANT WHO IS ENROLLED IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM PURSUANT TO SECTION SEVENTEEN HUNDRED FIFTY-E OF THIS TITLE.

5. "PROGRAM BENEFITS" SHALL MEAN FREE TUITION FOR FOUR YEARS AT ANY STATE UNIVERSITY OF NEW YORK OR AN EQUIVALENT COLLEGE AID VOUCHER.

6. "EQUIVALENT COLLEGE AID VOUCHER" SHALL MEAN A STATE VOUCHER, PAID ANNUALLY FOR FOUR YEARS TO A RECOGNIZED COLLEGE OR UNIVERSITY ON BEHALF OF AN ELIGIBLE PARTICIPANT, WHICH IS EQUAL TO NINETY-FIVE PERCENT OF THE AMOUNT OF THE ANNUAL TUITION AT A STATE UNIVERSITY OF NEW YORK.

S 1750-C. EMPIRE STATE COLLEGE SAVINGS AUTHORITY. 1. THE EMPIRE STATE COLLEGE SAVINGS AUTHORITY IS HEREBY CREATED. SUCH AUTHORITY SHALL BE A BODY CORPORATE AND POLITICAL CONSTITUTING A PUBLIC BENEFIT CORPORATION. THE GOVERNING BODY OF THE AUTHORITY SHALL BE A BOARD. THE AUTHORITY SHALL CONSIST OF NINE MEMBERS WHO ARE RESIDENTS OF THE STATE OF NEW YORK, AS FOLLOWS:

(A) THE CHANCELLOR OF THE STATE UNIVERSITY OF NEW YORK;

(B) THE COMPTROLLER OF THE STATE OF NEW YORK;

(C) A REPRESENTATIVE OF PUBLIC COLLEGES AND UNIVERSITIES APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE SENATE;

1 (D) A REPRESENTATIVE OF PRIVATE COLLEGES AND UNIVERSITIES APPOINTED BY
2 THE GOVERNOR AND CONFIRMED BY THE SENATE;

3 (E) A REPRESENTATIVE OF COLLEGE STUDENTS APPOINTED BY THE GOVERNOR AND
4 CONFIRMED BY THE SENATE;

5 (F) A REPRESENTATIVE APPOINTED BY THE TEMPORARY PRESIDENT OF THE
6 SENATE;

7 (G) A REPRESENTATIVE APPOINTED BY THE SPEAKER OF THE ASSEMBLY; AND

8 (H) TWO EX-OFFICIO MEMBERS, ONE APPOINTED BY THE MINORITY LEADER OF
9 THE SENATE AND ONE APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY, WHO
10 SHALL BOTH BE NON-VOTING MEMBERS WHOSE COMMENTS SHALL BE ENTERED UPON
11 ANY OFFICIAL RECORD OF BOARD PROCEEDINGS IN THE SAME MANNER AS VOTING
12 MEMBERS' COMMENTS, UNLESS OBJECTION IS RAISED BY ANY OF THE VOTING
13 MEMBERS IN WHICH CASE, NOTWITHSTANDING ANY PROVISION OF LAW TO THE
14 CONTRARY, SUCH COMMENTS BY NON-VOTING MEMBERS SHALL NOT BE SO ENTERED.

15 ALL THE APPOINTED MEMBERS OF THE GOVERNING BOARD SHALL SERVE FOR A
16 TERM OF FIVE YEARS EACH, WITH EACH TERM COMMENCING FROM THE FIRST DAY OF
17 JANUARY NEXT SUCCEEDING THEIR APPOINTMENT. EACH MEMBER SHALL HOLD OFFICE
18 UNTIL A SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED.

19 2. THE CHANCELLOR OF THE STATE UNIVERSITY OF NEW YORK SHALL BE THE
20 CHAIRPERSON OF THE GOVERNING BOARD AND THE COMPTROLLER OF THE STATE OF
21 NEW YORK SHALL SERVE AS ITS VICE-CHAIRPERSON. THE CHAIRPERSON SHALL BE
22 THE CHIEF EXECUTIVE OFFICER OF THE AUTHORITY AND SHALL BE PRIMARILY
23 RESPONSIBLE FOR THE DISCHARGE OF THE ADMINISTRATIVE FUNCTIONS OF THE
24 AUTHORITY. THE CHAIRPERSON MAY APPOINT AN EXECUTIVE DIRECTOR OF THE
25 AUTHORITY, UPON ADVICE AND CONSENT OF THE BOARD, TO WHICH SUCH ADMINIS-
26 TRATIVE FUNCTIONS MAY BE DELEGATED. THE EXECUTIVE DIRECTOR SHALL BE
27 DEEMED AN EMPLOYEE OF THE AUTHORITY, AND AS SUCH BE AN EXEMPT MANAGEMENT
28 CONFIDENTIAL EMPLOYEE, WHO IS A PUBLIC OFFICER AND ENTITLED TO AN ANNUAL
29 SALARY AS ESTABLISHED BY THE AUTHORITY BOARD.

30 3. THE POWER OF SUCH CORPORATION SHALL BE VESTED IN AND EXERCISED BY
31 THE BOARD. THE PURPOSE OF THE AUTHORITY IS TO ADMINISTER THE EMPIRE
32 STATE COLLEGE SAVINGS PROGRAM. SUCH PROGRAM IS INTENDED TO ASSIST NEW
33 YORKERS TO SAVE FOR THEIR CHILDREN'S EDUCATION, IN A NON-TAXABLE,
34 RESPONSIBLE, AND PRODUCTIVE MANNER THAT WILL NOT OVERBURDEN THE PARENTS
35 AND TO GUARANTEE NEW YORKERS WHO DO SO PARTICIPATE IN THIS PROGRAM, THAT
36 UPON THE CONCLUSION OF THE PAYMENT SCHEDULE, THAT THEY CAN OBTAIN A FOUR
37 YEAR, DEBT FREE, HIGH QUALITY, AND COMPLETELY PAID COLLEGE EDUCATION.

38 4. THE GOVERNING BOARD AND ITS CORPORATE EXISTENCE SHALL CONTINUE
39 UNTIL ITS EXISTENCE SHALL BE TERMINATED BY LAW. UPON THE TERMINATION OF
40 THE EXISTENCE OF THE AUTHORITY, ALL ITS RIGHTS AND PROPERTIES SHALL PASS
41 TO AND BE VESTED IN THE STATE OF NEW YORK. SUCH BOARD MAY DELEGATE TO
42 ONE OR MORE OF ITS MEMBERS OR ITS OFFICERS, AGENTS AND EMPLOYEES SUCH
43 POWERS AND DUTIES AS IT MAY DEEM PROPER.

44 5. FOUR VOTING MEMBERS OF THE BOARD SHALL CONSTITUTE A QUORUM FOR THE
45 TRANSACTION OF BUSINESS. A MAJORITY VOTE OF THE MEMBERS OF THE BOARD
46 PRESENT AT ANY MEETING AT WHICH A QUORUM IS PRESENT SHALL BE SUFFICIENT
47 TO PASS ANY RESOLUTION, EXCEPT AS OTHERWISE SPECIFIED IN THIS TITLE. ALL
48 PROPOSITIONS REQUIRING THE EXPENDITURE OF MONEY OR AFFECTING CONTRACT
49 RIGHTS OR PROPERTY SHALL BE PRESENTED TO THE BOARD IN WRITING. NO RESOL-
50 UTION CONTAINING SUCH A PROPOSITION SHALL PASS UNLESS IT RECEIVES
51 APPROVAL OF AT LEAST FOUR BOARD MEMBERS IN OFFICE.

52 6. THE BOARD SHALL HOLD AT LEAST FOUR REGULAR MEETINGS EVERY YEAR.
53 THE CHAIRPERSON, OR IN HIS OR HER ABSENCE THE VICE-CHAIRPERSON, OR ANY
54 FIVE MEMBERS, MAY CALL A SPECIAL MEETING BY NOTICE AS SPECIFIED BY THE
55 BOARD. ALL MEETINGS OF THE BOARD SHALL BE SUBJECT TO ARTICLE SEVEN OF
56 THE PUBLIC OFFICERS LAW.

1 7. MEMBERS OF THE BOARD SHALL BE ENTITLED TO NO COMPENSATION FOR THEIR
2 SERVICES, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR THEIR ACTUAL,
3 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES.

4 8. NOTWITHSTANDING ANY INCONSISTENT PROVISION OF LAW, NO OFFICER, AS
5 DEFINED IN THE PUBLIC OFFICERS LAW, OR EMPLOYEE OF THE STATE, OR OF ANY
6 MUNICIPALITY, AS DEFINED IN THE COUNTY LAW OR THE TOWN LAW, SHALL BE
7 DEEMED TO HAVE FORFEITED OR SHALL FORFEIT HIS OR HER PUBLIC OFFICE OR
8 ANY BENEFITS PROVIDED UNDER THE RETIREMENT AND SOCIAL SECURITY LAW OR
9 UNDER ANY PUBLIC RETIREMENT SYSTEM MAINTAINED BY THE STATE OR ANY OF ITS
10 SUBDIVISIONS BY REASON OF HIS OR HER ACCEPTANCE OF MEMBERSHIP ON THE
11 AUTHORITY; PROVIDED, HOWEVER, A MEMBER WHO HOLDS SUCH OTHER PUBLIC
12 OFFICE SHALL RECEIVE NO ADDITIONAL COMPENSATION FOR SERVICES RENDERED
13 PURSUANT TO THIS TITLE, BUT SHALL BE ENTITLED TO REIMBURSEMENT FOR ACTU-
14 AL, NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF SUCH SERVICES.

15 9. THE PRINCIPAL OFFICE OF THE AUTHORITY SHALL BE LOCATED IN THE CITY
16 OF ALBANY.

17 10. THE COMPTROLLER MAY CONDUCT PERIODIC AUDITS OF THE AUTHORITY AND
18 REPORT THE RESULTS OF SUCH AUDITS TO THE GOVERNOR, THE CHAIRPERSON OF
19 THE SENATE FINANCE COMMITTEE, AND THE CHAIRPERSON OF THE ASSEMBLY WAYS
20 AND MEANS COMMITTEE.

21 11. SUBJECT TO THE PROVISIONS OF THIS TITLE, APPOINTED MEMBERS OF THE
22 AUTHORITY MAY ENGAGE IN PRIVATE EMPLOYMENT, OR IN A PROFESSION OR BUSI-
23 NESS.

24 S 1750-D. EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT. THE EMPIRE
25 STATE COLLEGE SAVINGS PROGRAM SHALL PROVIDE FOR THE ESTABLISHMENT OF AN
26 EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT INTO WHICH ALL CONTRIB-
27 UTIONS FOR A PARTICIPANT SHALL BE DEPOSITED AND FROM WHICH ALL DISBURSE-
28 MENTS FOR THE PROGRAM'S PURPOSES SHALL BE MADE. THE GOVERNING BOARD
29 SHALL BE THE JOINT TRUSTEES OF THE EMPIRE STATE COLLEGE SAVINGS PROGRAM
30 ACCOUNT AND SHALL INVEST THE MONIES OF THE SAME SO AS TO SECURE THE
31 HIGHEST RATE OF RETURN POSSIBLE WITHOUT JEOPARDIZING THE SOLVENCY OF
32 SUCH ACCOUNT.

33 S 1750-E. ENROLLMENT. 1. THE PARENT OR LEGAL GUARDIAN OF ANY CHILD
34 WHO IS LESS THAN SIX YEARS OF AGE AND WHO RESIDES IN THE STATE OF NEW
35 YORK MAY ENROLL SUCH CHILD IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM
36 AS A PARTICIPANT OF SUCH PROGRAM. UPON ENROLLMENT AS A PARTICIPANT IN
37 THE EMPIRE STATE COLLEGE SAVINGS PROGRAM, CONTRIBUTIONS SHALL BE ANNUAL-
38 LY MADE TO THE EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT PURSUANT TO
39 SECTION SEVENTEEN HUNDRED FIFTY-F OF THIS TITLE.

40 2. THE PARENT OR LEGAL GUARDIAN OF ANY CHILD WHO IS LESS THAN THIRTEEN
41 YEARS OF AGE AND WHO RESIDES IN THE STATE OF NEW YORK MAY ENROLL SUCH
42 CHILD IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM AS A PARTICIPANT OF
43 SUCH PROGRAM. IN ORDER TO ENROLL A CHILD WHO IS LESS THAN THIRTEEN YEARS
44 OF AGE AS A PARTICIPANT IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM,
45 SUCH CHILD, OR A CONTRIBUTOR ON SUCH CHILD'S BEHALF, SHALL PURCHASE ALL
46 SUCH PAST CONTRIBUTIONS PURSUANT TO SECTION SEVENTEEN HUNDRED FIFTY-G OF
47 THIS TITLE AS ARE NECESSARY TO REPLACE ALL CONTRIBUTIONS THAT WOULD HAVE
48 BEEN MADE IF SUCH CHILD HAD BEEN ENROLLED ON OR BEFORE SUCH CHILD'S
49 SIXTH BIRTHDAY, AND THEREAFTER CONTRIBUTIONS ON BEHALF OF SUCH CHILD
50 SHALL BE ANNUALLY MADE TO THE EMPIRE STATE COLLEGE SAVINGS PROGRAM
51 PURSUANT TO SECTION SEVENTEEN HUNDRED FIFTY-F OF THIS TITLE.

52 S 1750-F. CONTRIBUTIONS. IN ORDER FOR PARTICIPANTS TO RECEIVE PROGRAM
53 BENEFITS, THE EMPIRE STATE COLLEGE SAVINGS AUTHORITY BOARD SHALL REQUIRE
54 ANNUAL CONTRIBUTIONS TO BE MADE ON BEHALF OF SUCH PARTICIPANTS TO THE
55 EMPIRE STATE COLLEGE SAVINGS PROGRAM FOR DEPOSIT BY THE AUTHORITY IN THE
56 EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT. THE GOVERNING BOARD OF

1 THE AUTHORITY SHALL DETERMINE THE TIME AND SCHEDULE FOR THE MAKING OF
2 ANNUAL CONTRIBUTIONS BY CONTRIBUTORS ON BEHALF OF PARTICIPANTS. SUCH
3 ANNUAL CONTRIBUTIONS SHALL NOT EXCEED THE AMOUNT OF ONE-QUARTER OF THE
4 ANNUAL TUITION FOR A STATE UNIVERSITY OF NEW YORK AT THE TIME SUCH
5 CONTRIBUTION IS MADE. CONTRIBUTIONS SHALL BE MADE ON BEHALF OF PARTIC-
6 IPANTS FOR NOT LESS THAN TWELVE CONSECUTIVE YEARS COMMENCING WHEN THE
7 PARTICIPANT IS NOT OLDER THAN FIVE YEARS OF AGE. IF ANY ANNUAL CONTRIB-
8 UTION REQUIRED BY THIS SECTION IS NOT MADE ON BEHALF OF AN ENROLLED
9 PARTICIPANT, THEN SUCH PARTICIPANT SHALL BE DEEMED BY THE AUTHORITY TO
10 BE INELIGIBLE TO RECEIVE ANY PROGRAM BENEFITS UNDER THE EMPIRE STATE
11 COLLEGE SAVINGS PROGRAM UNTIL SUCH TIME AS SUCH PAST CONTRIBUTION IS
12 PURCHASED PURSUANT TO SECTION SEVENTEEN HUNDRED FIFTY-G OF THIS TITLE.

13 S 1750-G. PURCHASE OF PAST CONTRIBUTIONS. IN ORDER FOR PARTICIPANTS
14 TO RECEIVE PROGRAM BENEFITS, THE EMPIRE STATE COLLEGE SAVINGS AUTHORITY
15 BOARD SHALL REQUIRE ANNUAL CONTRIBUTIONS TO BE MADE ON BEHALF OF SUCH
16 PARTICIPANTS TO THE EMPIRE STATE COLLEGE SAVINGS PROGRAM FOR DEPOSIT BY
17 THE AUTHORITY IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT. IF
18 ANY ANNUAL CONTRIBUTION REQUIRED PURSUANT TO SECTION SEVENTEEN HUNDRED
19 FIFTY-F OF THIS TITLE IS NOT MADE BY A PARTICIPANT, OR A CONTRIBUTOR ON
20 BEHALF OF THE PARTICIPANT, THEN SUCH PARTICIPANT, OR A CONTRIBUTOR ON
21 BEHALF OF SUCH PARTICIPANT, MAY PURCHASE THE PAST ANNUAL CONTRIBUTION
22 NOT SO MADE AT THE AMOUNT OF ONE-QUARTER OF THE ANNUAL TUITION FOR A
23 STATE UNIVERSITY OF NEW YORK AT THE TIME SUCH PURCHASE OF THE PAST
24 CONTRIBUTION IS MADE.

25 S 1750-H. BENEFITS. 1. UPON ENROLLMENT IN A STATE UNIVERSITY OF NEW
26 YORK A PARTICIPANT SHALL NOTIFY SUCH COLLEGE OR UNIVERSITY, IN A MANNER
27 DETERMINED BY THE AUTHORITY GOVERNING BOARD, OF THE FACT THAT THE
28 PARTICIPANT IS AN ENROLLED MEMBER IN GOOD STANDING IN THE EMPIRE STATE
29 COLLEGE SAVINGS PROGRAM. UPON NOTIFICATION OF THE FACT THAT SUCH PARTIC-
30 IPANT IS AN ENROLLED MEMBER IN GOOD STANDING IN THE EMPIRE STATE COLLEGE
31 SAVINGS PROGRAM, THE STATE UNIVERSITY OF NEW YORK AT WHICH SUCH PARTIC-
32 IPANT IS ENROLLED, SHALL SEND ALL TUITION BILLS, ASSESSED AGAINST SUCH
33 PARTICIPANT FOR THE NEXT FOUR YEARS TO THE EMPIRE STATE COLLEGE SAVINGS
34 AUTHORITY, WHEREUPON THE AUTHORITY SHALL DISBURSE FROM THE EMPIRE STATE
35 COLLEGE SAVINGS PROGRAM ACCOUNT AN AMOUNT EQUAL TO NINETY-FIVE PERCENT
36 OF THE TUITION ASSESSED AGAINST THE PARTICIPANT TO THE UNIVERSITY OR
37 COLLEGE AT WHICH THE PARTICIPANT IS SO ENROLLED IN FULL SATISFACTION OF
38 THE TUITION SO ASSESSED.

39 2. UPON ENROLLMENT IN A COLLEGE OR UNIVERSITY WHICH IS NOT A PART OF
40 THE STATE UNIVERSITY OF NEW YORK, A PARTICIPANT SHALL NOTIFY SUCH
41 PRIVATE COLLEGE OR UNIVERSITY, IN A MANNER DETERMINED BY SUCH COLLEGE OR
42 UNIVERSITY, OF THE FACT THAT THE PARTICIPANT IS AN ENROLLED MEMBER IN
43 GOOD STANDING IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM. UPON NOTIFI-
44 CATION OF THE FACT THAT SUCH PARTICIPANT IS AN ENROLLED MEMBER IN GOOD
45 STANDING IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM, THE PARTICIPANT OR
46 THE COLLEGE OR UNIVERSITY AT WHICH SUCH PARTICIPANT IS ENROLLED, SHALL
47 SEND ALL TUITION BILLS, ASSESSED AGAINST SUCH PARTICIPANT FOR THE NEXT
48 FOUR YEARS TO THE EMPIRE STATE COLLEGE SAVINGS AUTHORITY, WHEREUPON THE
49 AUTHORITY SHALL DISBURSE FROM THE EMPIRE STATE COLLEGE SAVINGS PROGRAM
50 ACCOUNT AN AMOUNT EQUAL TO NINETY-FIVE PERCENT OF THE TUITION ASSESSED
51 AGAINST A STUDENT ENROLLED AT THE STATE UNIVERSITY OF NEW YORK AT ALBA-
52 NY, OR THE TUITION ASSESSED AGAINST THE PARTICIPANT BY SUCH PRIVATE
53 COLLEGE OR UNIVERSITY, WHICHEVER IS LESS, AND SHALL FORWARD SUCH AMOUNT
54 TO THE COLLEGE OR UNIVERSITY AT WHICH THE PARTICIPANT IS SO ENROLLED. AT
55 THE TIME OF THE FORWARDING OF SUCH FUNDS TO SUCH COLLEGE OR UNIVERSITY,
56 THE EMPIRE STATE COLLEGE SAVINGS AUTHORITY SHALL FORWARD A COPY OF THE

1 PAYMENT RECORDS TO SUCH COLLEGE OR UNIVERSITY TO THE PARTICIPANT FOR
2 THEIR RECORDS.

3 S 1750-I. RETURN OF MONIES. CONTRIBUTIONS MADE ON BEHALF OF ANY
4 PARTICIPANT MAY BE RETURNED BY THE EMPIRE STATE COLLEGE SAVINGS AUTHORI-
5 TY FROM THE EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT TO THE CONTRIB-
6 UTOR WHO MADE SUCH CONTRIBUTION, UPON A MAJORITY VOTE OF THE AUTHORITY
7 GOVERNING BOARD, IF SUCH BOARD FINDS THAT SUCH CONTRIBUTOR, OR THE
8 PARTICIPANT FOR WHICH THE CONTRIBUTIONS WERE MADE, HAS A PHYSICAL,
9 MENTAL, OR FINANCIAL DISABILITY, AS DEFINED PURSUANT TO A POLICY ESTAB-
10 LISHED BY THE GOVERNING BOARD OF THE AUTHORITY. SUCH RETURN PAYMENT
11 SHALL BE MADE BY THE AUTHORITY FROM THE EMPIRE STATE COLLEGE SAVINGS
12 PROGRAM ACCOUNT AND SHALL CONSTITUTE ONLY THE PRINCIPAL OF THE ORIGINAL
13 CONTRIBUTION SO MADE AND SHALL NOT INCLUDE ANY INTEREST OR INVESTMENT
14 INCOME THE ACCOUNT EARNED ON SUCH CONTRIBUTION. IN THE EVENT THAT THE
15 AUTHORITY RETURNS A CONTRIBUTION TO A CONTRIBUTOR OR PARTICIPANT, THE
16 AUTHORITY SHALL NOTIFY THE PARTICIPANT AND THE PARTICIPANT'S LEGAL GUAR-
17 DIAN, AND WITHIN SIXTY DAYS OF THE RECEIPT OF SUCH NOTIFICATION BY THE
18 PARTICIPANT AND THE PARTICIPANT'S LEGAL GUARDIAN, THE PARTICIPANT, OR A
19 DIFFERENT CONTRIBUTOR ON BEHALF OF THE PARTICIPANT, MAY REPLACE THE
20 AMOUNT OF THE RETURNED CONTRIBUTION WITHOUT PENALTY INTO THE EMPIRE
21 STATE COLLEGE SAVINGS PROGRAM.

22 S 1750-J. TAX IMPLICATIONS. CONTRIBUTIONS, INTEREST ON CONTRIBUTIONS,
23 INVESTMENT GROWTH IN THE EMPIRE STATE COLLEGE SAVINGS PROGRAM ACCOUNT
24 AND PROGRAM BENEFITS SHALL NOT BE DEEMED INCOME TO EITHER THE CONTRIBU-
25 TOR OR THE PARTICIPANT OF THE EMPIRE STATE COLLEGE SAVINGS PROGRAM NOR
26 SHALL IT BE DEEMED SUBJECT TO STATE OR LOCAL TAXES.

27 S 2. This act shall take effect immediately, provided that the Empire
28 State college savings authority shall assume operations on the first of
29 January next succeeding the date on which it shall have become a law.