

# HOUSE BILL 1213

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By: **Delegates McMillan, Afzali, Glass, Hornberger, Malone, Rose, Shoemaker, Tarlau, and M. Washington**

Introduced and read first time: February 8, 2018

Assigned to: Appropriations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland 529 – Broker–Dealer College Investment Plan – Required**  
3 **Establishment**

4 FOR the purpose of requiring the Maryland 529 Board to establish a Maryland  
5 Broker–Dealer College Investment Plan on or before a certain date; altering a certain  
6 definition; and generally relating to the Maryland Broker–Dealer College  
7 Investment Plan.

8 BY repealing and reenacting, without amendments,

9 Article – Education

10 Section 18–19B–01(a) and (d)

11 Annotated Code of Maryland

12 (2014 Replacement Volume and 2017 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Education

15 Section 18–19B–01(c) and 18–19B–02

16 Annotated Code of Maryland

17 (2014 Replacement Volume and 2017 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Education**

21 18–19B–01.

22 (a) In this subtitle the following words have the meanings indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) "Board" means the [College Savings Plans of] Maryland **529** Board  
2 established under § 18-1904 of this title.

3 (d) "Broker-Dealer Plan" means the Maryland Broker-Dealer College  
4 Investment Plan established under this subtitle.  
5 18-19B-02.

6 (a) The Board [may] **SHALL** establish a Maryland Broker-Dealer College  
7 Investment Plan.

8 (b) The purpose of the Broker-Dealer Plan is to provide for a broker-dealer  
9 distributed vehicle that would allow contributions to an investment account established for  
10 the purposes of meeting the qualified higher education expenses of the qualified designated  
11 beneficiary of the account.

12 (c) (1) The Board shall administer, manage, and promote the Broker-Dealer  
13 Plan.

14 (2) The Board shall administer the Broker-Dealer Plan in compliance with  
15 Internal Revenue Service standards for qualified State tuition programs.

16 (d) (1) The Board shall adopt procedures relating to:

17 (i) Enrollment procedures for participation in the Broker-Dealer  
18 Plan;

19 (ii) Start-up costs incurred by the State for the development of the  
20 Broker-Dealer Plan with these costs to be reimbursed to the State by the Broker-Dealer  
21 Plan;

22 (iii) Early withdrawals so that there will be no major detriment to  
23 the remaining account holders in the Broker-Dealer Plan; and

24 (iv) Transfer of funds from the Broker-Dealer Plan to other qualified  
25 State tuition programs and from other qualified State tuition programs to the  
26 Broker-Dealer Plan in accordance with federal law; and

27 (2) The Board shall adopt any other procedures that the Board considers  
28 necessary to carry out the provisions of this subtitle.

29 (e) At least annually, the Board shall issue to each account holder a statement  
30 that provides a separate accounting for each qualified designated beneficiary providing the  
31 following information with respect to each account:

32 (1) The beginning balance;

- 1           (2)   Contributions to the account;
- 2           (3)   Withdrawals from the account during the previous year; and
- 3           (4)   Ending investment account value.

4           SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland 529 Board  
5 established under Title 18, Subtitle 19 of the Education Article shall establish a  
6 Maryland Broker–Dealer College Investment Plan as required under Section 1 of this Act  
7 on or before July 1, 2019.

8           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2018.