

This bill enhances the Maryland Higher Education Investment Program and encourages more families to prepare for future higher education expenses. The bill also creates The Maryland College Investment Plan.

House Bill 11, which was passed by the General Assembly and signed by me today, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 140.

Sincerely,
Parris N. Glendening
Governor

Senate Bill No. 140

AN ACT concerning

Maryland Prepaid College Trust and Maryland College Investment Plan

FOR the purpose of changing the name of the Maryland Higher Education Investment Program to the Maryland Prepaid College Trust; authorizing the Maryland Higher Education Investment Board to provide for certain rebates to owners of prepaid contracts under certain circumstances; requiring the Board to allow the transfer of funds from certain ~~tuition~~ state tuition programs to other state tuition programs under certain circumstances; requiring the Governor under certain circumstances to include a certain amount for the Maryland Prepaid College Trust in the annual budget submitted to the General Assembly; providing that certain amounts paid into the Program by the State shall constitute and be accounted for as advances to the Program; providing for the repayment to the State of certain amounts paid into the Program subject to certain rights; requiring the Board to allow certain benefits paid from the Maryland Prepaid College Trust to be used toward certain higher education expenses other than tuition and fees under certain circumstances; altering certain requirements for a legislative audit of the Maryland Prepaid College Trust; requiring a certain annual audit of the Maryland Prepaid College Trust; establishing the Maryland College Investment Plan as a means to allow individuals to make contributions to certain accounts for the purposes of meeting certain higher education expenses; requiring the Maryland Higher Education Investment Board to oversee the administration of the Plan; providing that neither the faith and credit nor the taxing power^o of the State is pledged to the payment of debts, prepaid contracts, and obligations of the Plan; providing for the administration of the Plan; requiring the Board to maintain the Plan in compliance with Internal Revenue Service standards for qualified state tuition programs; providing that distributions from the Plan may be used only for certain qualified higher education expenses; requiring the Board to issue certain statements to participants at least annually; providing that the assets and income of the Plan are exempt from State and local taxation; requiring the Board to report to the Governor and General Assembly annually concerning the audit and certain matters concerning the Plan; ~~providing~~ allowing a subtraction modification under the Maryland income tax for certain