(b) (1) For the purpose of entering into a [higher education investment] PREPAID contract, either the purchaser or the qualified beneficiary must be a resident of Maryland or of the District of Columbia at the time that the purchaser enters into the PREPAID contract.

(2) For the purposes of determining residency for the purchase of a [higher education investment] PREPAID contract:

(i) For residency in Maryland, "resident" has the meaning stated in § 10–101(h) of the Tax – General Article; and

(ii) For residency in the District of Columbia, "resident" has the meaning stated in § 47–1801.4 of the District of Columbia Code Annotated.

(c) The cost of a [higher education investment] PREPAID contract shall be based on:

(1) The average current in–state tuition costs at the time the PREPAID contract is purchased at public institutions of higher education in the State;

(2) The number of years expected to elapse between the purchase of a [higher education investment] PREPAID contract and the use of the benefits of the PREPAID contract; and

(3) The projected tuition costs at the time that the benefits will be exercised.

(d) Each [higher education investment] PREPAID contract made under the provisions of this subtitle shall include the following provisions:

(1) The amount of each payment and the number of payments required from a purchaser;

(2) The terms and conditions under which purchasers shall remit payments, including the dates of the payments;

(3) Provisions for late payment charges and defaults;

(4) Penalties for early withdrawal from the Program;

(5) The amount and terms of any administrative fees that must be paid by the purchaser or the beneficiary;

(6) The name and date of birth of the qualified beneficiary on whose behalf the contract is made;

(7) Terms and conditions for a substitution for the qualified beneficiary originally named;

(8) Terms and conditions for the termination of the PREPAID contract;

(9) The time period during which the qualified beneficiary may claim benefits from the Program;