

# WEST VIRGINIA LEGISLATURE

## 2021 REGULAR SESSION

Introduced

### House Bill 2001

FISCAL  
NOTE

BY DELEGATES HANSHAW (MR. SPEAKER), QUEEN,  
BARRETT, G. WARD, HOTT, MAYNARD, J. PACK, RILEY, L.  
PACK, ROWAN, AND WESTFALL

[Introduced February 10, 2021; Referred to the  
Committee on Education]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto two new  
2 sections, designated §11-21-12m and §11-21-25; to amend said code by adding thereto  
3 a new section, designated §11-24-10a; to amend said code by adding thereto a new  
4 article, designated §18-30A-1, §18-30A-2, §18-30A-3, §18-30A-4, §18-30A-5, §18-30A-6,  
5 §18-30A-7, §18-30A-8, §18-30A-9, §18-30A-10, §18-30A-11, §18-30A-12, §18-30A-13,  
6 §18-30A-14, §18-30A-15, §18-30A-16, §18-30A-17, §18-30A-18, and §18-30A-19, all  
7 relating generally to creating the West Virginia Jumpstart Savings Program; providing a  
8 short title; providing legislative findings; defining terms; requiring the program be operable  
9 by a certain date; creating the West Virginia Jumpstart Savings board; establishing  
10 requirements for board membership, appointment, and procedure; setting forth the powers  
11 of the board; authorizing the board to promulgate legislative rules; setting forth the duties  
12 and powers of the Treasurer related to the program; establishing the Jumpstart Savings  
13 Trust Fund and Expense Fund and requirements for said funds; authorizing the board to  
14 use financial organizations as program depositories and managers and providing  
15 requirements therefor; establishing requirements for opening a Jumpstart Savings  
16 account and making deposits to an account; providing requirements for distributions from  
17 an account; providing when distributions from an account are treated as income for  
18 taxation purposes; specifying expenditures of account distributions that are qualified  
19 expenses; allowing a personal income tax deduction for certain contributions to an  
20 account; allowing a personal income tax deduction for distributions from an account used  
21 for qualified expenses; allowing a tax credit against personal income tax or corporate net  
22 tax for certain matching contributions to accounts of employees; allowing a personal  
23 income tax deduction for a rollover of distributions from a college savings account to a  
24 Jumpstart Savings account; allowing a personal income tax deduction for a rollover of  
25 distributions from a Jumpstart Savings account to a West Virginia ABLE account; providing  
26 reporting and auditing requirements for the Jumpstart Savings Program; authorizing

27 certain training and educational entities and employers to share information with the board  
 28 and the Treasurer related to program participation; exempting certain personal information  
 29 regarding program participation from disclosure under the state's Freedom of Information  
 30 Act; limiting liability of the Treasurer related to the program; and requiring the board to  
 31 promulgate certain legislative rules.

*Be it enacted by the Legislature of West Virginia:*

## **CHAPTER 11. TAXATION.**

### **ARTICLE 21. PERSONAL INCOME TAX.**

#### **§11-21-12m. Additional modifications related to a Jumpstart Savings account.**

1 (a) Modification for contributions. –

2 For taxable years beginning on or after January 1, 2022, in addition to amounts authorized  
 3 to be subtracted from federal adjusted gross income pursuant to §11-21-12(c) of this code, there  
 4 shall be deducted from federal adjusted gross income for the purposes of this article an amount  
 5 equal to a direct contribution to a Jumpstart Savings account for the taxable year in which the  
 6 payment is made, in accordance with 18-30A-1 et seq. of this code: *Provided*, That the amount  
 7 deducted pursuant to this subsection may not exceed \$25,000 in a single taxable year: *Provided*,  
 8 however, That the taxpayer may also elect to carry forward the modification over a period not to  
 9 exceed five taxable years, beginning in the taxable year in which the contribution was made.

10 (b) Modification for certain distributions. –

11 For taxable years beginning on or after January 1, 2022, in addition to amounts authorized  
 12 to be subtracted from federal adjusted gross income pursuant to §11-21-12(c) of this code, there  
 13 shall be deducted from federal adjusted gross income, for the purposes of this article, an amount  
 14 equal to the portion of a distribution received from a Jumpstart Savings account in the taxable  
 15 year that was used to pay for qualified expenses, as defined in §18-30A-11 of this code: *Provided*,  
 16 That the amount deducted pursuant to this subsection may not exceed \$25,000 for the taxable

17 year.

18 (c) Modification for rollover of certain distributions. – In addition to amounts authorized to  
19 be subtracted from federal adjusted gross income pursuant to §11-21-12(c) of this code, there  
20 shall be deducted from federal adjusted gross income, for the purposes of this article:

21 (1) An amount equal to a distribution from a Jumpstart Savings account, if within 30 days  
22 of receiving the distribution, the account owner deposits such amount into a West Virginia ABLE  
23 account, according to the requirements of §16-48-1 et seq. of this code; and

24 (2) An amount equal to the portion of a distribution from a college savings account,  
25 established pursuant to §18-30-1 et seq. of this code, deposited into a Jumpstart Savings account  
26 within 30 days of receiving the distribution, if:

27 (A) The distribution from the college savings account is included in the account owner's  
28 federal gross income, according to 26 U.S.C. §61 and 26 U.S.C. §529; and

29 (B) The account owner complies with all applicable requirements of §18-30A-1 et seq. of  
30 this code.

31 (d) Nothing in this section shall be construed to decrease or otherwise impact any  
32 individual's federal tax obligations or to authorize any act which violates federal law.

**§11-21-25. Nonrefundable credit for matching contribution to employee's Jumpstart Savings account.**

1 As provided in §18-30A-13 of this code, a nonrefundable credit against the tax imposed  
2 by the provisions of this article is allowed for a matching contribution to a Jumpstart Savings  
3 account, of which the taxpayer's employee is the designated beneficiary, for the taxable year in  
4 which the contribution was made: *Provided*, That the credit allowed by this section may not exceed  
5 \$5,000 per employee per taxable year: *Provided, however*, That the amount of such tax credit  
6 may not exceed the portion of the contribution that is attributable to the taxpayer and that would  
7 otherwise be derived by the taxpayer as income from his or her business for the taxable year:  
8 *Provided further*, That the employer may not claim the credit if the employer himself or herself is

9 the account beneficiary of the account to which the matching contribution was made.

**ARTICLE 24. CORPORATION NET INCOME TAX.**

**§11-24-10a. Nonrefundable credit for matching contribution to employee’s Jumpstart**

**Savings account.**

1 As provided in §18-30A-13 of this code, a nonrefundable credit against the tax imposed  
2 by the provisions of this article is allowed in an amount equal to a matching contribution to a  
3 Jumpstart Savings account, of which the taxpayer’s employee is the designated beneficiary, for  
4 the taxable year in which the contribution was made: *Provided*, That the credit allowed by this  
5 section may not exceed \$5,000 per employee per taxable year.

**CHAPTER 18. EDUCATION.**

**ARTICLE 30A. WEST VIRGINIA JUMPSTART SAVINGS ACT.**

**§18-30A-1. Short Title.**

1 This article shall be known, and may be cited as, the “West Virginia Jumpstart Savings  
2 Act.”

**§18-30A-2. Findings.**

1 The Legislature recognizes the importance of cultivating an environment in West Virginia,  
2 where our tradespersons and entrepreneurs can be successful in their careers and remain in their  
3 home state. The Legislature finds that a savings and investment program to assist our citizens  
4 who wish to embark on a new trade or establish a new business within this state, is an investment  
5 in the future of West Virginia and its hardworking citizens.

**§18-30A-3. Definitions.**

1 For the purposes of this article, the following terms shall have the following meanings:

2 (1) “Account owner” means the person who opens and invests money into a Jumpstart  
3 Savings account, as provided in this article.

4 (2) “Beneficiary” means the person designated as a beneficiary at the time an account is

5 established, or the individual designated as the beneficiary when beneficiaries are changed.

6 (3) The “board” means the West Virginia Jumpstart Savings Board created in §18-30A-5  
7 of this code.

8 (4) “Direct contribution” means any amount of money deposited into a Jumpstart Savings  
9 account according to the procedures established and required by the board of the Treasurer.

10 (5) “Distribution” means any disbursement from an account.

11 (6) The term “family member,” as used to describe a person’s relationship to a designated  
12 beneficiary, includes any of the following:

13 (A) The spouse of the beneficiary;

14 (B) A child of the beneficiary or a descendant of the beneficiary’s child;

15 (C) A brother, sister, stepbrother, or stepsister of the beneficiary;

16 (D) The father or mother of the beneficiary, or an ancestor of either;

17 (E) A first cousin of the beneficiary;

18 (F) A stepfather or stepmother of the beneficiary;

19 (G) A son or daughter of a brother or sister of the beneficiary;

20 (H) A brother or sister of the father or mother of the beneficiary;

21 (I) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-  
22 law of the beneficiary; or

23 (J) The spouse of any person described in paragraphs (A) through (I) of this subdivision.

24 (7) “Labor organization” means any organization, agency, association, union, or employee  
25 representation committee of any kind that exists, in whole or in part, to assist employees in  
26 negotiating with employers concerning grievances, labor disputes, wages, rates of pay, or other  
27 terms or conditions of employment.

28 (8) The “program” refers to the Jumpstart Savings Program established by this article.

29 (9) The “Treasurer” refers to the West Virginia State Treasurer or his or her designee.

**§18-30A-4. West Virginia Jumpstart Savings Program established.**

1       The West Virginia Jumpstart Savings Program is hereby established, to be operable on  
 2 or before July 1, 2022. The board shall implement and administer the program under the terms  
 3 and conditions required by this article.

**§18-30A-5. West Virginia Jumpstart Savings Board; members; terms; compensation; proceedings generally.**

1       (a) The West Virginia Jumpstart Savings Program shall be administered by the West  
 2 Virginia Jumpstart Savings Board.

3       (b) The board consists of seven members and includes the following:

4       (1) The State Treasurer;

5       (2) The State Superintendent of Schools, or his or her designee;

6       (3) The Chancellor of the West Virginia Community and Technical College System, or his  
 7 or her designee;

8       (4) Four other members, appointed by the Governor, with knowledge, skill, and experience  
 9 in trade occupations or businesses, to be appointed as follows:

10       (A) A member representing a labor organization that represents tradespersons in this  
 11 state;

12       (B) A member representing a business or entity offering apprenticeships in this state; and

13       (C) Two private citizens not employed by, or an officer of, the state or any political  
 14 subdivision of the state.

15       (c) The members described in subdivision (4), subsection (b) of this section are appointed  
 16 by the Governor with the advice and consent of the Senate.

17       (d) Only state residents are eligible for appointment to the board.

18       (e) Members appointed by the Governor serve a term of five years and are eligible for  
 19 reappointment at the expiration of their terms. If there is a vacancy among appointed members,  
 20 the Governor shall appoint a person meeting the requirements of this section to fill the unexpired

21 term. Members of the board serve until the later of the expiration of the term for which the member  
22 was appointed or the appointment of a successor.

23 (f) Members of the board serve without compensation. The Treasurer may pay all  
24 reasonable expenses, including travel expenses, actually incurred by board members in the  
25 conduct of their official duties. Expense payments are made from the Jumpstart Savings Expense  
26 Account and are made at the same rate paid to state employees.

27 (g) The Treasurer is the chairman and presiding officer of the board and shall appoint the  
28 employees the board considers advisable or necessary.

29 (h) The board shall adopt bylaws and rules of procedure at its first official meeting. A  
30 majority of the members of the board constitutes a quorum for the transaction of the business of  
31 the board.

**§18-30A-6. Powers of the board.**

1 The board is authorized to take any action necessary to effectuate the provisions of this  
2 article and successfully administer the program, subject to applicable state and federal law,  
3 including, but not limited to the following:

4 (1) Adopt and amend bylaws;

5 (2) Execute contracts and other instruments for necessary goods and services, employ  
6 necessary personnel and engage the services of private consultants, actuaries, auditors, counsel,  
7 managers, trustees, and any other contractor or professional needed for rendering professional  
8 and technical assistance and advice: *Provided*, That election of these services is not subject to  
9 the provisions of §5A-3-1 *et seq.* of this code;

10 (3) Implement the program through use of financial organizations as account depositories  
11 and managers, as provided in §18-30A-9 of this code;

12 (4) Develop and impose requirements, policies, procedures, and guidelines to implement  
13 and manage the program;

14 (5) Establish the method by which funds shall be allocated to pay for administrative costs



15 and assess, collect, and expend administrative fees, charges, and penalties;

16 (6) Authorize the assessment, collection, and retention of fees and charges against the  
17 amounts paid into and the earnings on the trust funds by a financial institution, investment  
18 manager, fund manager, West Virginia Investment Management Board, or other professional  
19 managing or investing the trust funds and accounts;

20 (7) Invest and reinvest any of the funds and accounts under the board's control with a  
21 financial institution, an investment manager, a fund manager, the West Virginia Investment  
22 Management Board, or other professional investing the funds and accounts: *Provided, That*  
23 investments made under this article shall be made in accordance with the provisions of §44-6C-  
24 1 *et seq.* of this code;

25 (8) Solicit and accept gifts, including bequests or other testamentary gifts made by will,  
26 trust, or other disposition; grants; loans; aid; and property, real or personal of any nature and from  
27 any source, or to participate in any other way in any federal, state, or local governmental programs  
28 in carrying out the purposes of this article: *Provided, That* board shall use the property received  
29 to effectuate the desires of the donor, and shall convert the property received into cash within 90  
30 days of receipt; and

31 (9) Propose legislative rules for promulgation in accordance with §29A-3-1 *et seq.* of this  
32 code.

**§18-30A-7. Powers and duties of the Treasurer.**

1 (a) In order to implement and administer the program, the Treasurer shall:

2 (1) Provide support staff and office space for the board;

3 (2) Establish and monitor, at the direction of the board, the methods and processes by  
4 which the funds held in accounts are deposited and distributed;

5 (3) Charge and collect any necessary administrative fees, penalties, and service charges  
6 in connection with any agreement, contract, or transaction relating to the program;

7 (4) Develop marketing plans and promotional material to ensure that potential program

8 beneficiaries will be aware of the program and the advantages the program offers; and

9 (5) Present the annual evaluations and reports required by §18-30A-16 of this code at any  
10 meeting or proceeding of the Legislature or the Office of the Governor upon request.

11 (b) In order to implement and administer the program, the Treasurer may:

12 (1) Collect all necessary information from program account holders and beneficiaries;

13 (2) Create forms necessary for implementation of the program;

14 (3) Propose rules for legislative approval, in accordance with the provisions of §29A-3-1  
15 et seq. of this code, that are necessary to effectuate the provisions and purposes of this article;

16 and

17 (4) Perform all other actions necessary to effectuate the provisions of this article, subject  
18 to applicable state and federal law.

**§18-30A-8. West Virginia Jumpstart Savings Trust Fund and Expense Fund created.**

1 (a) The West Virginia Jumpstart Savings Program Trust Fund is hereby established in the  
2 State Treasury. The fund shall be utilized if the board elects to accept deposits from contributors  
3 rather than have deposits sent directly to the program manager. Such fund shall consist of any  
4 moneys contributed in accordance with this article which are not deposited directly with the  
5 program manager. All interest derived from the deposit and investment of moneys in such savings  
6 trust fund shall be credited to the fund. At the end of any fiscal year, all unexpended and  
7 unencumbered moneys in such savings trust fund may not be credited or transferred to the State  
8 General Fund or to any other fund.

9 (b) (1) The West Virginia Jumpstart Savings Program Expense Fund is hereby established  
10 in the State Treasury. The fund shall consist of moneys received from the program manager, or  
11 any governmental or private grants and any state general fund appropriations, if any, for the  
12 program.

13 (2) All expenses incurred by the board or the Treasurer in developing and administering  
14 the program shall be payable from the West Virginia Jumpstart Savings Expense Fund.

**§18-30A-9. Use of financial organizations as program depositories and managers.**

1           (a) The board may implement the program through use of financial organizations as  
2 account depositories and managers. The board may solicit proposals from financial organizations  
3 to act as depositories and managers of the program. Financial organizations submitting proposals  
4 shall describe the investment instruments which will be held in accounts. The board may select  
5 more than one financial organization and investment instrument for the program. The board shall  
6 select financial organizations to act as program depositories and managers from among the  
7 bidding financial organizations that demonstrate the most advantageous combination, both to  
8 potential program participants and this state, based on the following criteria:

9           (1) The financial stability and integrity of the financial organization;

10           (2) The safety of the investment instrument being offered;

11           (3) The ability of the financial organization to satisfy record keeping and reporting  
12 requirements;

13           (4) The financial organization's plan for promoting the program and the investment the  
14 organization is willing to make to promote the program;

15           (5) The fees, if any, proposed to be charged to the account owners;

16           (6) The minimum initial deposit and minimum contributions that the financial organization  
17 will require;

18           (7) The ability of the financial organization to accept electronic withdrawals, including  
19 payroll deduction plans; and

20           (8) Other benefits to the state or its residents included in the proposal, including fees  
21 payable to the state to cover expenses of operation of the program.

22           (b) The board may enter into any contracts with a financial organization necessary to  
23 effectuate the provisions of this article. Any management contract shall include, at a minimum,  
24 terms requiring the financial organization to:

25           (1) Take any action required to keep the program in compliance with requirements of this

26 article and any other applicable state or federal law;

27 (2) Keep adequate records of each account, keep each account segregated from each  
28 other account, and provide the board with the information necessary to prepare the statements  
29 required by this article and other applicable state and federal laws;

30 (3) Compile and total information contained in statements required to be prepared under  
31 this article and applicable state and federal laws and provide such compilations to the board;

32 (4) Provide the board with access to the books and records of the program manager and  
33 with any other information needed to determine compliance with the contract, this article, and any  
34 other applicable state or federal law;

35 (5) Hold all accounts for the benefit of the account owner or owners;

36 (6) Be audited at least annually by a firm of certified public accountants selected by the  
37 program manager and provide the results of such audit to the board;

38 (7) Provide the board with copies of all regulatory filings and reports made by the financial  
39 organization during the term of the management contract or while the financial organization is  
40 holding any accounts, other than confidential filings or reports that will not become part of the  
41 program. The program manager shall make available for review by the board and the Treasurer  
42 the results of any periodic examination of such manager by any state or federal banking,  
43 insurance, or securities commission, except to the extent that such report or reports may not be  
44 disclosed under law; and

45 (8) Ensure that any description of the program, whether in writing or through the use of  
46 any medium, is consistent with the marketing plan developed pursuant to the provisions of this  
47 article.

48 (c) The board may:

49 (1) Enter into such contracts as it deems necessary and proper for the implementation of  
50 the program;

51 (2) Require that an audit be conducted of the operations and financial position of the

52 program depository and manager at any time if the board has any reason to be concerned about  
53 the financial position, the record keeping practices, or the status of accounts of such program  
54 depository and manager; and

55 (3) Terminate or not renew a management agreement. If the board terminates or does not  
56 renew a management agreement, the board shall take custody of accounts held by such program  
57 manager and shall seek to promptly transfer such accounts to another financial organization that  
58 is selected as a program manager or depository and into investment instruments as similar to the  
59 original instruments as possible.

**§18-30A-10. Opening a Jumpstart Savings account; deposits.**

1 (a) Beginning on July 1, 2022, a person may open a Jumpstart Savings account.

2 (b) To open a Jumpstart Savings account, the account owner must:

3 (1) Provide all information required by the Treasurer;

4 (2) Make a minimum opening deposit of \$50; and

5 (3) Name a single person as the designated beneficiary: *Provided*, That the designated  
6 beneficiary may be the account owner himself or herself, or another person: *Provided, however*,  
7 That the beneficiary may not be a business, corporation, or enterprise.

8 (c) The Treasurer will deposit \$100 from the Jumpstart Savings Expense Fund into a newly  
9 opened Jumpstart Savings account if the following criteria are met:

10 (1) The designated beneficiary is a resident of West Virginia; and

11 (2) The account is opened when the designated beneficiary is under the age of 18 years  
12 of age; or

13 (3) The account is opened within the 180 days following the date of the designated  
14 beneficiary's enrollment in an apprenticeship or educational program described in §18-30A-  
15 11(c)(1)(A) of this code.

16 (d) Any person may make a contribution to a Jumpstart Savings account after the account  
17 is opened, subject to applicable state and federal laws.

18 (e) The Treasurer shall prescribe all forms required to open and make deposits to a  
19 Jumpstart Savings account and make the forms available in a prominent location on the  
20 Treasurer's website.

**§18-30A-11. Distributions; qualified expenses.**

1 (a) A distribution from a Jumpstart Savings account is a distribution to the account owner  
2 and any personal income tax deductions authorized by this section and §11-21-12m of this code  
3 shall be from the West Virginia adjusted gross income of the account owner.

4 (b) A change in the designated beneficiary of a Jumpstart Savings account is not a  
5 distribution for the purposes of this article or §11-21-1 et seq. of this code if the new beneficiary  
6 is a family member of the old beneficiary.

7 (c) Qualified expenses. --

8 (1) For the purposes of this article and §11-21-12m of this code, expenditures of  
9 distributions for the following purposes are qualified expenses:

10 (A) The purchase of tools, equipment, or supplies by the beneficiary to be used exclusively  
11 in an occupation or profession for which the beneficiary is required to:

12 (i) Complete an apprenticeship program registered and certified with the United States  
13 Department of Labor, as provided in 29 U.S.C. §50;

14 (ii) Complete an apprenticeship program required by Chapter 30 of this code or by  
15 legislative rules promulgated pursuant to said chapter; or

16 (iii) Earn an Associate degree from a community and technical college;

17 (B) Fees for required certification and licensure to practice a trade or occupation described  
18 in paragraph (A) of this subdivision in this state; and

19 (C) Costs incurred by the beneficiary that are necessary to establish a business in this  
20 state in which the beneficiary will practice an occupation or profession described in paragraph (A)  
21 of this subdivision, when the costs are exclusively incurred and paid for the purpose of operating  
22 such business.

23 (2) In no event shall any dues, fees, subscriptions, or any other payments to a labor  
24 organization constitute qualified expenses for the purposes of this article.

**§18-30A-12. State tax deductions for certain contributions and distributions.**

1 (a) As provided in §11-21-12m, a direct contribution to a Jumpstart Savings account is  
2 eligible for an income tax deduction.

3 (b) As provided in §11-21-12m, a distribution from a Jumpstart Savings account that is  
4 used for qualified expenses, as provided in §18-30A-11 of this code, is eligible for an income tax  
5 deduction.

6 (c) Nothing in this section shall be construed to decrease or otherwise impact any  
7 individual's federal tax obligations or to authorize any act which violates federal law.

**§18-30A-13. State tax credit for certain persons or entities providing matching funds.**

1 (a) An employer that contributes matching funds to a Jumpstart Savings account, of which  
2 its employee is the beneficiary, is eligible for a tax credit not to exceed \$5,000 per employee per  
3 taxable year, as provided in §11-21-25 or §11-24-10a of this code, whichever is applicable:  
4 Provided, That an employer may not claim a credit against more than one type of tax for a single  
5 contribution: Provided, however, That the employer may not claim the credit if the matching  
6 contribution is to an account of which the employer himself or herself is the beneficiary.

7 (b) In order to qualify for either of the tax credits described in subsection (a) of this section,  
8 an employer must:

9 (1) Directly contribute an amount of funds to a Jumpstart Savings account that is equal to  
10 a contribution by the employee to such account in the same taxable year; and

11 (2) Submit any forms or other information, required by the Treasurer, upon making the  
12 contribution.

**§18-30A-14. Rollover of college savings account for state tax deduction.**

1 (a) As provided in §11-21-12m of this code, a taxpayer shall be allowed a deduction from  
2 his or her West Virginia adjusted gross income, equal to the amount of a distribution from a college

3 savings account, established pursuant to §18-30-1 et seq. of this code, if:

4 (1) The distribution from the college savings account is included in the taxpayer's federal  
5 gross income, according to 26 U.S.C. §61 and 26 U.S.C. §529; and

6 (2) Within 30 days of receiving the distribution, the taxpayer deposits such amount into a  
7 Jumpstart Savings account, according to the requirements of this article.

8 (b) Nothing in this section shall be construed to create a federal tax benefit or to authorize  
9 any act which violates federal law.

**§18-30A-15. Rollover of Jumpstart Savings account into a West Virginia ABLE account.**

1 (a) As provided in §11-21-12m of this code, a taxpayer shall be allowed a deduction from  
2 his or her West Virginia adjusted gross income, equal to the amount of a distribution from a  
3 Jumpstart Savings account, established pursuant to this article, if within 30 days of receiving the  
4 distribution, the taxpayer deposits such amount into a West Virginia ABLE account, according to  
5 the requirements of §16-48-1 et seq. of this code.

6 (b) Nothing in this section shall be construed to create a federal tax benefit or to authorize  
7 any act which violates federal law.

**§18-30A-16. Reports and account; annual audit.**

1 (a) In addition to any other requirements of this article, the board shall:

2 (1) Prepare and provide an annual summary of information on the financial condition of  
3 the Jumpstart Savings Trust Fund and Expense Fund and statements on the savings plan  
4 accounts to the respective account owners;

5 (2) Prepare, or have prepared, a quarterly report on the status of the program, including  
6 the Jumpstart Savings Trust Fund and Expense Fund, and provide a copy of the report to the  
7 Joint Committee on Government and Finance; and

8 (3) Prepare, or have prepared, an annual actuarial report of the Jumpstart Savings Trust  
9 Fund and transmit a copy of the report to the Governor and the Joint Committee on Government  
10 and Finance.



11 (b) All accounts administered under the program, including the Jumpstart Savings Trust  
12 Fund and Expense Fund, are subject to an annual external audit by an accounting firm, selected  
13 by the board, of which all members or partners assigned to head the audit are members of the  
14 American institute of certified public accountants. The audit shall comply with the requirements  
15 and standards in §5A-2-33 of this code.

**§18-30A-17. Records; confidentiality.**

1 (a) Notwithstanding any other provision of this code, the board and an apprenticeship  
2 provider, training or educational institution, or employer are authorized to exchange information  
3 regarding participants in the program to carry out the purposes of this article.

4 (b) Records containing personally identifying information regarding Jumpstart Savings  
5 account holders and beneficiaries is exempt from disclosure under §29B-1-1 et seq. of this code.

**§18-30A-18. Limitation on liability.**

1 Nothing in this article creates any obligation of the board, the Treasurer, the state, or any  
2 agency or instrumentality of the state to guarantee for the benefit of any account holder or  
3 designated beneficiary with respect to the:

4 (1) Return of principal;

5 (2) Rate of interest or other return on any account; or

6 (3) Payment of interest or other return on any account.

**§18-30A-19. Legislative rules required.**

1 Prior to the commencement of the program, the board shall promulgate rules, in  
2 accordance with the provisions of §29A-3-1 et seq. of this code, that include at a minimum, the  
3 following:

4 (1) Requirements for any contract to be entered between the board and an account holder  
5 upon opening a Jumpstart Savings account to ensure compliance with the requirements of this  
6 article and applicable state and federal laws;

7 (2) Examples of qualified expenses, as that term is described in §18-30A-11 of this code;

8 and  
9 (3) Procedures for persons opening Jumpstart Savings accounts, making contributions  
10 thereto, and requesting distributions therefrom, and instructions for accessing any necessary  
11 forms.

NOTE: The purpose of this bill is to establish the Jumpstart Savings Program.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.