

Legislative Analysis



MICHIGAN EDUCATION TRUST AMENDMENTS

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House Bill 5783

Sponsor: Rep. Gene DeRossett

Committee: Tax Policy

Complete to 6-1-04

A SUMMARY OF HOUSE BILL 5783 AS INTRODUCED 4-21-04

The Michigan Education Trust Act permits individuals to enter into a contract with the MET for the advance payment of tuition for qualified beneficiaries to attend a state institution of higher education, without further tuition costs to the beneficiary. The program generally does not cover certain required fees, room and board, and books.

The act provides that the contract between the MET and purchaser shall specify the name and age of the qualified beneficiary. The bill would add an exception for contracts purchased by a state or local governmental agency or an tax exempt organization under 501(c)(3) of the federal Internal Revenue Code.

The act requires the trust to offer two types of contracts (known as Plan A and Plan B). The bill would permit, but not require, the trust to offer the two plans.

In addition, the bill would exempt from disclosure under the Freedom of Information Act any writing or information provided to the trust by the purchaser, qualified beneficiary, or a person permitted to terminate a contract.

Finally, the bill would delete two sections concerning the enactment of the act that are no longer necessary.

MCL 390.1426 et al.

FISCAL IMPACT:

The bill would have no significant fiscal impact on state or local government.

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