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Senate Bill 1636 (as reported without amendment)

Sponsor: Senator Mark C. Jansen

Committee: Families and Human Services

CONTENT

The bill would amend the Individual or Family Development Account Program Act to revise requirements for fiduciary organizations selected to administer program sites; and provide for the role of the Department of Labor and Economic Growth (DLEG).

The Act establishes the Program within the Michigan State Housing Development Authority (MSHDA), and requires it to give eligible individuals and families an opportunity to establish accounts for postsecondary educational expenses, the first-time purchase of a primary residence, and business capitalization. Program sites administer the Program and fiduciary organizations assist program sites and manage participants' reserve accounts (which receive other contributions and provide matching funds). The bill would do the following:

- -- Require MSHDA to establish Program policies and procedures in consultation with DLEG.
- -- Make DLEG responsible for approving fiduciary organizations and program sites and activities concerning programs related solely to accounts to be used for higher education or business capitalization.
- -- Require fiduciary organizations to oversee program sites' reserve accounts, rather than establish and manage them.
- -- Require the administrator of a fiduciary organization to give MSHDA the names of contributors and the amount contributed within 15 days after receiving each contribution, rather than each calendar year.
- -- Require fiduciary organizations to give MSHDA annual reports regarding accounts established for the purchase of a home (rather than all accounts), and to give DLEG annual reports related to accounts established for education or business start-up.
- -- Require MSHDA and DLEG to report jointly to the Secretary of the Senate and the Clerk of the House, and to promulgate rules in consultation with one another.

MCL 206.702 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on the Department of Labor and Economic Growth, which includes MSHDA. Staff from the Department have indicated that the proposed changes would not affect current staffing or costs.

Date Completed: 11-20-08 Fiscal Analyst: Elizabeth Pratt

Maria Tyszkiewicz