

Effective 3/25/2017

Part 2
Student Prosperity Savings Program

53B-8a-201 Definitions.

As used in this part:

- (1) "529 savings account" means a tax-advantaged method of saving for higher education costs on behalf of a particular individual that:
 - (a) meets the requirements of Section 529, Internal Revenue Code; and
 - (b) is managed by the plan.
- (2) "Child" means an individual less than 20 years of age.
- (3) "Community partner" means a nonprofit organization that provide services to a child who is economically disadvantaged or a family member, legal guardian, or legal custodian of a child who is economically disadvantaged.
- (4) "Donation" means a gift, grant, donation, or any other conveyance of money by a person other than the Legislature that is not made directly for the benefit or on behalf of a particular individual.
- (5) "Economically disadvantaged" means that a child is:
 - (a) experiencing intergenerational poverty;
 - (b) a member or foster child of a family with an annual income at or below 185% of the federal poverty level;
 - (c) living with a legal custodian or legal guardian with an annual family income at or below 185% of the federal poverty level; or
 - (d) living with a legal custodian or legal guardian who can attest that the child or the child's household is receiving services benefitting low-income households or individuals.
- (6) "Eligible individual" means an individual who:
 - (a) is under 20 years of age and is a resident of Utah;
 - (b) is economically disadvantaged; and
 - (c) receives, or has a family member, a foster family member, or a legal custodian or legal guardian who receives, services from a community partner.
- (7) "Federal poverty level" means the poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services in the Federal Register.
- (8) "Higher education costs" means the same as that term is defined in Section 53B-8a-102.5, except that the expenses must be incurred at:
 - (a) a credit-granting institution of higher education within the state system of higher education;
 - (b) a private, nonprofit college or university in the state that is accredited by the Northwestern Association of Schools and Colleges; or
 - (c) a technical college.
- (9) "Intergenerational poverty" means the same as that term is defined in Section 35A-9-102.
- (10) "Program" means the Student Prosperity Savings Program created in Section 53B-8a-202.

Amended by Chapter 292, 2018 General Session

Amended by Chapter 306, 2018 General Session

Amended by Chapter 315, 2018 General Session, (Coordination Clause)

53B-8a-202 Student Prosperity Savings Program.

- (1) There is created the Student Prosperity Savings Program.
- (2) The program is funded by:
 - (a) appropriations from the Legislature; and
 - (b) donations made in accordance with Section 53B-8a-203.
- (3)
 - (a) The plan shall administer the program.
 - (b) The plan shall use the program to create 529 savings accounts in accordance with this part.

Enacted by Chapter 389, 2017 General Session

53B-8a-203 Donations to the program.

- (1)
 - (a) A person may make a donation to the program by:
 - (i) sending the donation to the plan; and
 - (ii) including with the donation, direction that the donation benefit the program.
 - (b) A person making a donation shall include the person's name and mailing address with the donation.
- (2)
 - (a) The plan shall mail a receipt to the person that makes the donation.
 - (b) The receipt described in Subsection (2)(a) shall state:
 - (i) the name of the person that made the donation;
 - (ii) the amount of the donation; and
 - (iii) the date on which the person makes the donation.
 - (c) The date on which the person makes a donation to the program is the date on which the plan receives the donation, unless the plan receives the donation on a Saturday, a Sunday, or a holiday, in which case the date on which the person makes the donation shall be the first business day after the day on which the plan receives the donation.

Amended by Chapter 370, 2021 General Session

53B-8a-204 Distribution of program money -- Application process -- Prioritization -- Account agreements.

- (1) The plan shall distribute money in the program by creating a 529 savings account for an eligible individual identified by a community partner.
- (2)
 - (a)
 - (i) The plan shall carry out the responsibility described in Subsection (1) by establishing a process in which a community partner may apply for an allocation of program money to designate for eligible individuals.
 - (ii) The Utah Board of Higher Education shall establish the application process for a community partner to apply for an allocation of program money.
 - (iii) The application process described in Subsection (2)(a)(ii) shall include:
 - (A) the criteria for a community partner to apply for an allocation of program money;
 - (B) the criteria that the plan will use to prioritize applications if the dollar amounts requested in the applications exceed the dollar amount available;
 - (C) the requirements for establishing a 529 savings account in the name of an eligible individual; and

- (D) the roles and responsibilities of a community partner that makes a successful application for an allocation of program money.
- (b)
 - (i) A community partner that receives an allocation of program money shall enter into a contract with the plan.
 - (ii) The contract described in Subsection (2)(b)(i) shall:
 - (A) define the roles and responsibilities of the community partner and the plan with regard to the community partner's allocation of program money; and
 - (B) specify that the individual the community partner identifies to receive a portion of the community partner's allocation is an eligible individual.
- (3) If the plan approves a community partner's application for an allocation of program money, the plan may not promise or otherwise encumber the allocation to any other person unless the allocation is forfeited under Subsection (5)(b)(ii).
- (4)
 - (a) A community partner shall identify each eligible individual who will receive a portion of the community partner's allocation of program money.
 - (b) After a community partner identifies an eligible individual to receive a portion of the community partner's allocation, the community partner shall notify the plan of:
 - (i) the amount of the community partner's allocation that shall transfer to a 529 savings account in the name of the identified eligible individual; and
 - (ii) the amount, if any, that the community partner will be contributing in accordance with Part 1, Utah Educational Savings Plan, to the 529 savings account on behalf of the identified eligible individual.
- (5)
 - (a) Upon receiving the information described in Subsection (4)(b), the plan shall establish a 529 savings account for the identified eligible individual, with the community partner as the account owner.
 - (b) The community partner shall inform the beneficiary that:
 - (i) within three years after the day on which the beneficiary graduates from high school, the beneficiary shall enroll in:
 - (A) a credit-granting institution of higher education within the state system of higher education;
 - (B) a private, nonprofit college or university in the state that is accredited by the Northwestern Association of Schools and Colleges; or
 - (C) a technical college; and
 - (ii) if the beneficiary fails to enroll within three years after the day on which the beneficiary graduates from high school, any money that remains in the 529 savings account shall be returned to the program.
 - (c) After entering into the account agreement described in Subsection (5)(a), the plan shall deposit into the beneficiary's 529 savings account the amount of the allocation described in Subsection (4)(b)(i).

Amended by Chapter 365, 2020 General Session

53B-8a-205 Application of other provisions of this chapter.

The provisions of Part 1, Utah Educational Savings Plan, except Subsection 53B-8a-109(3), govern the 529 savings accounts established under the Student Prosperity Savings Program.

Enacted by Chapter 389, 2017 General Session