

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 1020

By: Representative Love  
By: Senator Elliott

## For An Act To Be Entitled

AN ACT TO CREATE THE GENERAL ASSEMBLY PROMISE LOTTERY SCHOLARSHIP PROGRAM; TO PROVIDE FUNDS TO EVERY CHILD BORN IN ARKANSAS TO BE USED FOR COLLEGE TUITION; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE THE GENERAL ASSEMBLY PROMISE LOTTERY SCHOLARSHIP PROGRAM; TO PROVIDE FUNDS TO EVERY CHILD BORN IN ARKANSAS TO BE USED FOR COLLEGE TUITION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) Arkansas Constitution, Article 19, § 14, provides that proceeds from the Arkansas Scholarship Lottery shall be used only for the operating expenses of the lottery and to provide scholarships and grants to Arkansas citizens who are enrolled in public and private nonprofit two-year and four-year colleges and universities in Arkansas;

(2) The use of lottery proceeds to establish for an Arkansas citizen a college savings account that is accessible only to pay for the cost of attendance at a public or private nonprofit two-year or four-year college or university in Arkansas is a use of lottery proceeds in accordance with Arkansas Constitution, Article 19, § 14; and

(3) Establishing with lottery proceeds a college savings account



for an Arkansas citizen to be used to pay for the cost of attendance at a public or private nonprofit two-year or four-year college or university in Arkansas is the provision of a scholarship in accordance with Arkansas Constitution, Article 19, § 14.

SECTION 2. Arkansas Code Title 6 is amended to add an additional chapter to read as follows:

Chapter 86 – General Assembly Promise Lottery Scholarship Program

6-86-101. Creation – Administration – Purpose.

There is created the General Assembly Promise Lottery Scholarship Program to be developed and administered by the Treasurer of State to provide a financial contribution to an account for each person born in this state on and after January 1, 2018, whose parent or legal guardian opts into the program.

6-86-102. Definition.

As used in this chapter:

(1)(A) “Foster care” means the care of a child on the basis of twenty-four (24) hours a day away from the home of the child’s parent.

(B) The foster care may be provided by:

(i) A relative of the child;

(ii) An individual not related to the child;

(iii) A parent of the child if the foster care is provided by reason of a court-ordered placement and not by virtue of the parent-child relationship;

(iv) A group home;

(v) A state agency;

(vi) A residential facility; or

(vii) Any other entity.

(2) “Foster care” does not include placement of a foster-care recipient with any individual or entity under subdivision (1)(B)(ii) of this section by a parent if a child welfare agency or court is not involved with the parent or foster-care recipient through an open case or investigation.

6-86-103. General Assembly Promise Lottery Scholarship Program.

(a)(1) The General Assembly Promise Lottery Scholarship Program shall provide a financial contribution to an account for each person born in this state on and after January 1, 2018, whose parent or legal guardian opts into the program on a timeline developed by the Treasurer of State.

(2) A person in foster care may opt into the program under subdivision (a)(1) of this section at any time.

(b)(1) A person on whose behalf a financial contribution was made under subdivision (a)(1) of this section may access funds from the account:

(A) Only for the purpose of financing the person's cost of attendance at an institution of higher education in this state; and

(B) Until the person reaches twenty-two (22) years of age.

(2) The funds a person may access under subdivision (b)(1) of this section are:

(A) The original contribution made on behalf of the person under subdivision (a)(1) of this section; and

(B) Any investment revenue derived from the original contribution.

(3) If a person does not access the funds before he or she reaches twenty-two (22) years of age, the funds shall be forfeited and become part of the funds available under § 6-86-105(a)(1) for financial contributions.

(c) When a person elects to access the funds from the account to finance the person's cost of attendance at an institution of higher education in this state, the funds shall be disbursed to the institution of higher education in which the person is enrolled.

(d)(1) The disbursement of funds under this chapter is subject to the prohibition under § 6-80-105 against using public funds in a student financial package in excess of the recognized cost of attendance at the institution of higher education in this state where the student is enrolled.

(2) Any funds under this chapter determined to be excess funds shall be forfeited and become part of the funds available under § 6-86-105(a)(1) for financial contributions.

6-86-104. Account administration.

The Treasurer of State may:

(1) Enter into agreements with financial institutions or other

entities to:

(A) Manage and administer the account under § 6-86-103(a)(1); and

(B) Perform other services necessary to implement this chapter; and

(2) Conduct outreach and engage in educational activities with the general public to encourage financial literacy.

6-86-105. Contributions.

(a) Annually by February 15, the Treasurer of State shall:

(1) Based on the amount of funds available, determine the amount of the financial contribution to be made for each person who opted into the General Assembly Promise Lottery Scholarship Program under § 6-86-103(a) during the previous year; and

(2) Make the financial contribution for each person who opted into the program under § 6-86-103(a) during the previous year.

(b)(1) The amount of the financial contribution shall be the same for each person who opted into the program under § 6-86-103(a) during a calendar year.

(2) The amount of the financial contribution for each person who opted into the program shall not exceed one hundred dollars (\$100).

6-86-106. Information sharing.

The Department of Health and the Department of Human Services shall share information with the Treasurer of State necessary for the Treasurer of State to implement this chapter, including without limitation records related to:

(1) The births of children in this state; and

(2) Foster children in this state.

6-86-107. Funding.

The Treasurer of State may accept gifts, grants, donations, and bequests on behalf of the General Assembly Promise Lottery Scholarship Program to support and provide funding assistance to the program.

6-86-108. Report.

(a) The Treasurer of State shall submit annually by March 15 a report on the operation and financial condition of the General Assembly Promise Lottery Scholarship Program to the Senate Committee on Education and House Committee on Education.

(b) The report under subsection (a) of this section may be submitted electronically.

6-86-109. Rules.

The Treasurer of State shall adopt rules to implement this chapter.

SECTION 3. DO NOT CODIFY. Implementation date – General Assembly Promise Lottery Scholarship Program.

The General Assembly Promise Lottery Scholarship Program shall be implemented beginning January 1, 2018.