

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1090 Session of 2011

INTRODUCED BY CORMAN, GORDNER, VOGEL, COSTA, ALLOWAY, BLAKE, BOSCOLA, BREWSTER, BRUBAKER, ERICKSON, FONTANA, GREENLEAF, LEACH, RAFFERTY, SOLOBAY, TARTAGLIONE, TOMLINSON, M. WHITE, WOZNIAK, YAW AND YUDICHAK, JUNE 8, 2011

REFERRED TO FINANCE, JUNE 8, 2011

AN ACT

1 Amending the act of April 3, 1992 (P.L.28, No.11), entitled, as
 2 amended, "An act providing for the establishment of two
 3 programs for postsecondary educational savings, a guaranteed
 4 savings program and an investment program; establishing the
 5 Tuition Account Programs Bureau within the Treasury
 6 Department and providing duties for the Treasury Department;
 7 establishing tuition account funds; providing for Tuition
 8 Account Program Contracts; providing for the establishment of
 9 scholarship programs; and further providing for duties of the
 10 Pennsylvania Higher Education Assistance Agency," further
 11 providing for tuition account programs and funds.

12 The General Assembly of the Commonwealth of Pennsylvania
 13 hereby enacts as follows:

14 Section 1. Section 306(f) of the act of April 3, 1992
 15 (P.L.28, No.11), known as the Tuition Account Programs and
 16 College Savings Bond Act, amended June 22, 2000 (P.L.418,
 17 No.58), is amended and the section is amended by adding a
 18 subsection to read:

19 Section 306. Tuition account programs; funds.

20 * * *

21 (f) Limitation.--Notwithstanding any other provision of law,

1 the Treasury Department and the board shall not pledge the
2 credit or taxing powers of the Commonwealth for the Tuition
3 Account Investment Program. Any obligation or debt [under this
4 act] of the Tuition Account Investment Program shall not be
5 deemed an obligation or debt of the Commonwealth, nor shall the
6 Commonwealth be liable to pay principal and interest on
7 obligations or to offset any loss of principal and interest
8 earnings on investments of the Tuition Account Investment
9 Program made by the Treasury Department or recommended by the
10 board [pursuant to this act]. Tuition Account Investment Program
11 Contracts issued by the Treasury Department with an account
12 owner shall contain a plain language statement explaining the
13 limitation contained in this subsection.

14 (g) Commonwealth obligation.--If the Tuition Account
15 Guaranteed Savings Program Fund does not have sufficient funds
16 to meet the obligation to make a payment under section 309 or
17 the obligation to make a refund under section 313, the
18 Commonwealth shall meet that obligation.

19 Section 2. This act shall take effect July 1, 2011, or
20 immediately, whichever is later.