

H.R.3450

North American Free Trade Agreement Implementation Act

SEC. 507. TREATMENT OF SELF-EMPLOYMENT ASSISTANCE PROGRAMS.

(a) GENERAL RULE- Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

`(t) SELF-EMPLOYMENT ASSISTANCE PROGRAM- For the purposes of this chapter, the term `self-employment assistance program' means a program under which--

`(1) individuals who meet the requirements described in paragraph (3) are eligible to receive an allowance in lieu of regular unemployment compensation under the State law for the purpose of assisting such individuals in establishing a business and becoming self-employed;

`(2) the allowance payable to individuals pursuant to paragraph (1) is payable in the same amount, at the same interval, on the same terms, and subject to the same conditions, as regular unemployment compensation under the State law, except that--

`(A) State requirements relating to availability for work, active search for work, and refusal to accept work are not applicable to such individuals;

`(B) State requirements relating to disqualifying income are not applicable to income earned from self-employment by such individuals; and

`(C) such individuals are considered to be unemployed for the purposes of Federal and State laws applicable to unemployment compensation,

as long as such individuals meet the requirements applicable under this subsection;

`(3) individuals may receive the allowance described in paragraph (1) if such individuals--

`(A) are eligible to receive regular unemployment compensation under the State law, or would be eligible to receive such compensation except for the requirements described in subparagraph (A) or (B) of paragraph (2);

`(B) are identified pursuant to a State worker profiling system as individuals likely to exhaust regular unemployment compensation; and

`(C) are participating in self-employment assistance activities which--

annually to the Secretary on the number of individuals who participate in the self-employment assistance program, the number of individuals who are able to develop and sustain businesses, the operating costs of the program, compliance with program requirements, and any other relevant aspects of program operations requested by the Secretary.

(d) REPORT TO CONGRESS- Not later than 4 years after the date of the enactment of this Act, the Secretary of Labor shall submit a report to the Congress with respect to the operation of the program authorized under this section. Such report shall be based on the reports received from the States pursuant to subsection (c) and include such other information as the Secretary of Labor determines is appropriate.

(e) EFFECTIVE DATE; SUNSET-

(1) EFFECTIVE DATE- The provisions of this section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) SUNSET- The authority provided by this section, and the amendments made by this section, shall terminate 5 years after the date of the enactment of this Act.

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1414 Session of 1997

INTRODUCED BY GORDNER, HASAY, LESCOVITZ, MAJOR, ROBERTS, MUNDY,
LAUGHLIN, STABACK, TRICH, BELARDI, TULLI, SERAFINI, BARRAR,
LaGROTTA, BATTISTO, COY, ROSS, BAKER, ALLEN, SEMMEL AND DENT,
APRIL 30, 1997

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 9, 1997

AN ACT

1 Establishing the Export Financing Loan Fund in the Department of <--
2 Community and Economic Development to provide financial
3 assistance to small businesses; establishing a special
4 account in the Treasury Department; and providing for special
5 accounts in banks or trust companies.
6 AMENDING THE ACT OF JUNE 29, 1996 (P.L.434, NO.67), ENTITLED "AN <--
7 ACT TO ENHANCE JOB CREATION AND ECONOMIC DEVELOPMENT BY
8 PROVIDING FOR AN ANNUAL FINANCING STRATEGY, FOR OPPORTUNITY
9 GRANTS, FOR JOB CREATION TAX CREDITS, FOR SMALL BUSINESS
10 ASSISTANCE AND FOR THE SMALL BUSINESS ADVOCACY COUNCIL;
11 CONFERRING POWERS AND DUTIES ON VARIOUS ADMINISTRATIVE
12 AGENCIES AND AUTHORITIES; FURTHER PROVIDING FOR VARIOUS
13 FUNDS; AND MAKING REPEALS," ESTABLISHING THE EXPORT FINANCING
14 LOAN FUND AND THE FAMILY SAVINGS ACCOUNT PROGRAM IN THE <--
15 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO PROVIDE
16 FINANCIAL ASSISTANCE TO SMALL BUSINESSES; ESTABLISHING A
17 SPECIAL ACCOUNT IN THE TREASURY DEPARTMENT; AND PROVIDING FOR
18 SPECIAL ACCOUNTS IN BANKS OR TRUST COMPANIES.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:
21 Section 1. Short title. <--
22 This act shall be known and may be cited as the Export
23 Financing Loan Program Act.
24 Section 2. Definitions.

1 The following words and phrases when used in this act shall
2 have the meanings given to them in this section unless the
3 context clearly indicates otherwise:
4 "Department." The Department of Community and Economic

5 Development of the Commonwealth.
6 "Ex-Im Bank." The Export-Import Bank of the United States,
7 an independent agency of the Federal Government.
8 "Export activity." An activity undertaken by an enterprise
9 related to exports. The term includes manufacturing, assembling
10 and like operations.
11 "Exports." All goods and services to be exported from the
12 United States.
13 "Fund." The Export Financing Loan Fund.
14 "Policy." An export credit insurance policy for small
15 business offered by the Export-Import Bank of the United States.
16 Section 3. Fund.
17 (a) Establishment.--The Export Financing Loan Fund is hereby
18 established within the Small Business First Fund provided for by
19 section 1302 of the act of June 29, 1996 (P.L.434, No.67), known
20 as the Job Enhancement Act.
21 (b) Source.--The sources of the fund are as follows:
22 (1) Program appropriations.
23 (2) Proceeds from loan repayments.
24 (3) Deposits, payments or contributions from any other
25 source made available to the department for the purposes of
26 this act.
27 (c) Administration.--
28 (1) Money from the fund may be deposited by the
29 department in banks or trust companies in special accounts.
30 The special accounts must be continuously secured by a pledge
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1 of direct obligations of the United States or of the
2 Commonwealth, having an aggregate market value, exclusive of
3 accrued interest, at least equal to the balance on deposit in
4 the account. The securities shall be deposited with the
5 department to be held by a trustee or agent satisfactory to
6 the department. Banks and trust companies are authorized to
7 give security under this paragraph.
8 (2) Money in accounts under paragraph (1) shall be paid
9 out on order of the department.
10 Section 4. Loans.
11 (a) Authorization.--The department may make loans from the
12 fund, subject to this section, for the purpose of making loans
13 to companies involved in exports.
14 (b) Conditions.--A loan must comply with all of the
15 following:
16 (1) Be to a company eligible for a policy.
17 (2) Be guaranteed by the Working Capital Guaranty
18 Program offered by the Ex-Im Bank or be on an export credit
19 sales contract insured by a policy.
20 (3) Be limited to companies that have facilities within
21 this Commonwealth which are involved in export activities.
22 (4) Be based on an export contract that requires payment
23 in United States dollars.
24 (5) Be for the purpose of financing export activity.
25 (c) Qualification.--A company need not qualify as a small
26 business enterprise, as defined in section 1301, or meet any
27 other requirements under Chapter 13 of the act of June 29, 1996
28 (P.L.434, No.67), known as the Job Enhancement Act.

29 (d) Restrictions.--A loan must not supplant funding which is
30 otherwise available from private sector sources on commercially
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1 reasonable terms.

2 (e) Terms.--A loan shall have a term, rate of interest,
3 transaction size and other business conditions that comply with
4 the requirements of the Ex-Im Bank and any other requirements of
5 the department.

6 Section 5. Application and administration.

7 (a) Procedures.--Application and administration procedures
8 for fund loans shall be established by the department.

9 (b) Receipt.---The department shall receive applications
10 from eligible companies or from area loan organizations on
11 behalf of eligible companies for export financing loans.
12 Applications shall be made to the department in the form the
13 department prescribes.

14 (c) Review.--Upon receipt of the application, the department
15 shall review the application and either approve or disapprove
16 the loan application.

17 Section 6. Powers and duties of department.

18 In order to administer this act, the department shall have
19 the following powers and duties:

20 (1) To promulgate regulations.

21 (2) To adopt policies, procedures and guidelines.

22 (3) To prescribe forms.

23 (4) To apply to the Ex-Im Bank for delegated authority
24 lender status under the Ex-Im Bank's Working Capital Guaranty
25 Program.

26 Section 7. Effective date.

27 This act shall take effect July 1, 1997, or immediately,
28 whichever is later.

29 SECTION 1. SECTION 1301 OF THE ACT OF JUNE 29, 1996 <--
30 (P.L.434, NO.67), KNOWN AS THE JOB ENHANCEMENT ACT, IS AMENDED
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1 BY ADDING DEFINITIONS TO READ:

2 SECTION 1301. DEFINITIONS.

3 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
4 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
5 CONTEXT CLEARLY INDICATES OTHERWISE:

6 * * *

7 "EX-IM BANK." THE EXPORT-IMPORT BANK OF THE UNITED STATES,
8 AN INDEPENDENT AGENCY OF THE FEDERAL GOVERNMENT.

9 "EXPORT ACTIVITY." AN ACTIVITY UNDERTAKEN BY AN ENTERPRISE
10 RELATED TO EXPORTS. THE TERM INCLUDES MANUFACTURING, ASSEMBLING
11 AND LIKE OPERATIONS.

12 "EXPORTS." ALL GOODS AND SERVICES TO BE EXPORTED FROM THE
13 UNITED STATES.

14 * * *

15 "POLICY." AN EXPORT CREDIT INSURANCE POLICY FOR SMALL
16 BUSINESS OFFERED BY THE EXPORT-IMPORT BANK OF THE UNITED STATES.

17 * * *

18 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

19 SECTION 1311. EXPORT FINANCING LOAN FUND; LOANS AND
20 APPLICATIONS; POWERS AND DUTIES.

21 (A) ESTABLISHMENT.--THE EXPORT FINANCING LOAN FUND IS HEREBY
22 ESTABLISHED WITHIN THE SMALL BUSINESS FIRST FUND PROVIDED FOR BY
23 SECTION 1302.

24 (B) SOURCE.--THE SOURCES OF THE FUND ARE AS FOLLOWS:

25 (1) PROGRAM APPROPRIATIONS.

26 (2) PROCEEDS FROM LOAN REPAYMENTS.

27 (3) DEPOSITS, PAYMENTS OR CONTRIBUTIONS FROM ANY OTHER
28 SOURCE MADE AVAILABLE TO THE DEPARTMENT FOR THE PURPOSES OF
29 THIS ACT.

30 (C) ADMINISTRATION.--

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1 (1) MONEY FROM THE FUND MAY BE DEPOSITED BY THE
2 DEPARTMENT IN BANKS OR TRUST COMPANIES IN SPECIAL ACCOUNTS.
3 THE SPECIAL ACCOUNTS MUST BE CONTINUOUSLY SECURED BY A PLEDGE
4 OF DIRECT OBLIGATIONS OF THE UNITED STATES OR OF THE
5 COMMONWEALTH, HAVING AN AGGREGATE MARKET VALUE, EXCLUSIVE OF
6 ACCRUED INTEREST, AT LEAST EQUAL TO THE BALANCE ON DEPOSIT IN
7 THE ACCOUNT. THE SECURITIES SHALL BE DEPOSITED WITH THE
8 DEPARTMENT TO BE HELD BY A TRUSTEE OR AGENT SATISFACTORY TO
9 THE DEPARTMENT. BANKS AND TRUST COMPANIES ARE AUTHORIZED TO
10 GIVE SECURITY UNDER THIS PARAGRAPH.

11 (2) MONEY IN ACCOUNTS UNDER PARAGRAPH (1) SHALL BE PAID
12 OUT ON ORDER OF THE DEPARTMENT.

13 (D) LOAN AUTHORIZATION.--THE DEPARTMENT MAY MAKE LOANS FROM
14 THE FUND, SUBJECT TO THIS SECTION, FOR THE PURPOSE OF MAKING
15 LOANS TO COMPANIES INVOLVED IN EXPORTS.

16 (E) CONDITIONS.--A LOAN MUST COMPLY WITH ALL OF THE
17 FOLLOWING:

18 (1) BE TO A COMPANY ELIGIBLE FOR A POLICY.

19 (2) BE GUARANTEED BY THE WORKING CAPITAL GUARANTY
20 PROGRAM OFFERED BY THE EX-IM BANK OR BE ON AN EXPORT CREDIT
21 SALES CONTRACT INSURED BY A POLICY.

22 (3) BE LIMITED TO COMPANIES THAT HAVE FACILITIES WITHIN
23 THIS COMMONWEALTH WHICH ARE INVOLVED IN EXPORT ACTIVITIES.

24 (4) BE BASED ON AN EXPORT CONTRACT THAT REQUIRES PAYMENT
25 IN UNITED STATES DOLLARS.

26 (5) BE FOR THE PURPOSE OF FINANCING EXPORT ACTIVITY.

27 (6) BE LIMITED TO COMPANIES WITH 250 OR FEWER FULL-TIME <--
28 EQUIVALENT EMPLOYEES.

29 (F) QUALIFICATION.--A COMPANY NEED NOT QUALIFY AS A SMALL
30 BUSINESS ENTERPRISE, AS DEFINED IN SECTION 1301, OR MEET ANY

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1 OTHER REQUIREMENTS UNDER THIS CHAPTER.

2 (G) RESTRICTIONS.--EXPORT FINANCING LOAN FUND ASSISTANCE <--
3 SHALL NOT EXCEED \$350,000 FOR ANY INDIVIDUAL PROJECT OR 50% OF
4 THE ELIGIBLE PROJECT COSTS, WHICHEVER IS LESS. A LOAN MUST NOT
5 SUPPLANT FUNDING WHICH IS OTHERWISE AVAILABLE FROM PRIVATE
6 SECTOR SOURCES ON COMMERCIALY REASONABLE TERMS.

7 (H) TERMS.--A LOAN SHALL HAVE A TERM, RATE OF INTEREST,
8 TRANSACTION SIZE AND OTHER BUSINESS CONDITIONS THAT COMPLY WITH
9 THE REQUIREMENTS OF THE EX-IM BANK AND ANY OTHER REQUIREMENTS OF
10 THE DEPARTMENT.

11 (I) APPLICATION AND ADMINISTRATION.--APPLICATION AND
12 ADMINISTRATION PROCEDURES FOR FUND LOANS SHALL BE ESTABLISHED BY

13 THE DEPARTMENT.
14 (J) RECEIPT.---THE DEPARTMENT SHALL RECEIVE APPLICATIONS
15 FROM ELIGIBLE COMPANIES OR FROM AREA LOAN ORGANIZATIONS ON
16 BEHALF OF ELIGIBLE COMPANIES FOR EXPORT FINANCING LOANS.
17 APPLICATIONS SHALL BE MADE TO THE DEPARTMENT IN THE FORM THE
18 DEPARTMENT PRESCRIBES.
19 (K) REVIEW.--UPON RECEIPT OF THE APPLICATION, THE DEPARTMENT
20 SHALL REVIEW THE APPLICATION AND EITHER APPROVE OR DISAPPROVE
21 THE LOAN APPLICATION.
22 (L) POWERS AND DUTIES OF DEPARTMENT.--IN ORDER TO ADMINISTER
23 THIS SECTION, THE DEPARTMENT OF COMMUNITY AND ECONOMIC
24 DEVELOPMENT SHALL HAVE THE FOLLOWING POWERS AND DUTIES:
25 (1) TO PROMULGATE REGULATIONS.
26 (2) TO ADOPT POLICIES, PROCEDURES AND GUIDELINES.
27 (3) TO PRESCRIBE FORMS.
28 (4) TO APPLY TO THE EX-IM BANK FOR DELEGATED AUTHORITY
29 LENDER STATUS UNDER THE EX-IM BANK'S WORKING CAPITAL GUARANTY
30 PROGRAM.
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1 SECTION 3. THE ACT IS AMENDED BY ADDING A CHAPTER TO READ: <--
2 CHAPTER 21
3 FAMILY SAVINGS ACCOUNT PROGRAM
4 SECTION 2101. DEFINITIONS.
5 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
6 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
7 CONTEXT CLEARLY INDICATES OTHERWISE:
8 "ACCOUNT." A FAMILY SAVINGS ACCOUNT AT A FINANCIAL
9 INSTITUTION OR OTHER INSTITUTION THAT IS APPROVED BY THE
10 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND WHICH IS
11 MAINTAINED BY THE SAVER AS PART OF AN APPROVED ACCOUNT PROGRAM
12 FOR THE RESTRICTED PURPOSE OF PROVIDING FUNDS FOR AN ELIGIBLE
13 USE.
14 "APPROVED ACCOUNT PROGRAM." A PROGRAM APPROVED BY THE
15 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND THAT IS
16 OPERATED BY A SERVICE PROVIDER.
17 "APPROVED PLAN." A PLAN DEFINING SAVINGS GOALS AND PROGRAM
18 REQUIREMENTS, INCLUDING THE ANTICIPATED USE OF BOTH THE SAVINGS
19 AND THE MATCH. THE PLAN SHALL SERVE AS THE CONTRACT BETWEEN THE
20 SAVER AND THE SERVICE PROVIDER.
21 "EDUCATION." A POSTSECONDARY PROGRAM OF INSTRUCTION PROVIDED
22 BY A COLLEGE, UNIVERSITY, COMMUNITY COLLEGE, AREA VOCATIONAL-
23 TECHNICAL SCHOOL, PROFESSIONAL INSTITUTION OR SPECIALIZED DEGREE
24 GRANTING COLLEGE OR SCHOOL LEGALLY AUTHORIZED TO GRANT DEGREES.
25 THE TERM SHALL ALSO INCLUDE A JOB TRAINING OR RELATED
26 EDUCATIONAL PROGRAM APPROVED BY THE DEPARTMENT OF COMMUNITY AND
27 ECONOMIC DEVELOPMENT. THE TERM SHALL NOT INCLUDE A SCHOOL OF
28 THEOLOGY OR THEOLOGICAL SEMINARY.
29 "ELIGIBLE USES." EDUCATION, PURCHASE OF A HOME,
30 PARTICIPATION IN ENTREPRENEURIAL ACTIVITY, ENROLLMENT OF A
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1 SAVER'S CHILD IN DAY CARE TO ENABLE THE SAVER TO PARTICIPATE IN
2 JOB TRAINING, ANY WORK-RELATED ACTIVITY OR EDUCATIONAL PROGRAM
3 OR OTHER ACTIVITY BASED ON AN APPROVED PLAN.
4 "ENTREPRENEURIAL ACTIVITY." PURCHASE OF OR INVESTMENT IN A

5 FOR-PROFIT VENTURE IN WHICH THE SAVER WILL BE A PRINCIPAL.
6 "FINANCIAL INSTITUTION." ANY FEDERAL OR STATE-CHARTERED
7 BANK, BANK AND TRUST COMPANY, SAVINGS BANK, SAVINGS AND LOAN
8 ASSOCIATION, TRUST COMPANY OR CREDIT UNION.
9 "MATCH." AN AMOUNT EQUAL TO 50%, UP TO \$500 PER YEAR, OF THE
10 AMOUNT DEPOSITED INTO AN ACCOUNT BY A SAVER DURING A TWO-YEAR
11 PERIOD.
12 "MINIMUM SAVINGS AMOUNT." AN AMOUNT ESTABLISHED IN THE
13 APPROVED PLAN AS THE MINIMUM AMOUNT TO BE DEPOSITED BY A SAVER
14 IN ORDER TO BE ELIGIBLE FOR THE MATCH.
15 "PROGRAM." THE FAMILY SAVINGS ACCOUNT PROGRAM ESTABLISHED
16 PURSUANT TO THIS CHAPTER.
17 "SAVER." AN INDIVIDUAL OR FAMILY WHO RESIDES IN THIS
18 COMMONWEALTH AND WHOSE TOTAL ANNUAL INCOME AT THE TIME OF
19 ENROLLMENT IS NOT MORE THAN 200% OF THE FEDERAL POVERTY STANDARD
20 AND WHO HAS APPLIED FOR ENROLLMENT IN AN APPROVED ACCOUNT
21 PROGRAM.
22 "SERVICE PROVIDER." A NONPROFIT INSTITUTION THAT ENCOURAGES
23 AND ASSISTS LOCAL COMMUNITY BUILDING AND THAT IS CERTIFIED BY
24 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR
25 PARTICIPATION IN THE PROGRAM.
26 SECTION 2102. ADMINISTRATION.
27 (A) CERTIFICATION OF SERVICE PROVIDERS.--THE DEPARTMENT
28 SHALL CERTIFY SERVICE PROVIDERS WHO SHALL ENROLL ELIGIBLE SAVERS
29 INTO THE PROGRAM.
30 (B) APPLICATION PROCESS.--ELIGIBLE SAVERS SHALL APPLY TO A
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1 SERVICE PROVIDER TO PARTICIPATE IN THE PROGRAM. THE SERVICE
2 PROVIDER SHALL DEVELOP AN APPROVED PLAN WITH EACH ENROLLED SAVER
3 WHICH SPECIFIES A MINIMUM SAVINGS AMOUNT AND HOW MUCH MONEY THE
4 SAVER INTENDS TO CONTRIBUTE TO THE SAVER'S FAMILY SAVINGS
5 ACCOUNT ON EITHER A WEEKLY, BI-WEEKLY OR MONTHLY BASIS UP TO THE
6 TWO-YEAR PERIOD. THE APPLICATION AND PLAN SHALL BE ON A FORM AND
7 SHALL MEET SUCH REQUIREMENTS AS DEEMED APPROPRIATE BY THE
8 DEPARTMENT.
9 (C) OWNERSHIP.--EACH ENROLLED SAVER SHALL OPEN AN ACCOUNT AS
10 DEFINED UNDER THIS CHAPTER AT A FINANCIAL INSTITUTION THAT IS
11 CERTIFIED BY THE DEPARTMENT AS QUALIFIED TO PARTICIPATE IN THE
12 PROGRAM FOR DEPOSIT OF THE SAVER'S CONTRIBUTIONS. ALL MONEYS IN
13 THAT ACCOUNT, INCLUDING INTEREST EARNED THEREON, SHALL BELONG TO
14 THE INDIVIDUAL SAVER.
15 (D) GRANTS.--
16 (1) THE DEPARTMENT SHALL MAKE GRANTS TO SERVICE
17 PROVIDERS FROM FUNDS APPROPRIATED FOR THIS PURPOSE. THE
18 AMOUNT AND NUMBER OF GRANTS SHALL BE CALCULATED BY THE
19 DEPARTMENT IN SUCH A MANNER AS TO ENSURE PAYMENT OF THE
20 MAXIMUM MATCH REQUIRED FOR THE TWO-YEAR PERIOD FOR ALL
21 APPROVED PLANS FOR ENROLLED SAVERS AND IN SUCH A MANNER AS TO
22 NOT EXCEED THE AMOUNT APPROPRIATED.
23 (2) SERVICE PROVIDERS SHALL KEEP ALL MATCHING GRANT
24 FUNDS IN A SEPARATE ACCOUNT AT A FINANCIAL INSTITUTION
25 APPROVED BY THE DEPARTMENT UNTIL THE FUNDS ARE WITHDRAWN OR
26 RETURNED TO THE DEPARTMENT ACCORDING TO THE PROVISIONS OF
27 THIS CHAPTER. THE SERVICE PROVIDER SHALL USE GRANT PROCEEDS
28 TO PROVIDE THE REQUIRED MATCH FOR THE ACCOUNTS OF ENROLLED

29 SAVERS WHO HAVE MET ALL PROGRAM REQUIREMENTS. SERVICE
30 PROVIDERS SHALL BE ELIGIBLE FOR ADMINISTRATIVE COSTS IN AN
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1 AMOUNT AS DETERMINED BY THE DEPARTMENT. NOT MORE THAN 5% OF
2 FUNDS ANNUALLY APPROPRIATED FOR THIS PROGRAM MAY BE USED TO
3 REIMBURSE SERVICE PROVIDERS FOR ELIGIBLE ADMINISTRATIVE
4 COSTS. THE DEPARTMENT MAY APPROVE THE USE OF INTEREST
5 EARNINGS ON GRANT FUNDS HELD BY SERVICE PROVIDERS AS A
6 PORTION OF A SERVICE PROVIDER'S APPROVED ADMINISTRATIVE
7 COSTS.

8 (E) ELIGIBILITY FOR MATCH.--AN ENROLLED SAVER WITH AN
9 APPROVED PLAN AND ACCOUNT MONITORED BY A SERVICE PROVIDER MUST
10 FULFILL THE REQUIREMENTS OF THE PLAN FOR A MINIMUM OF 18 MONTHS
11 BUT NOT MORE THAN 24 MONTHS. THE SAVER SHALL PRESENT
12 SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER ON A QUARTERLY
13 BASIS THAT THE SAVINGS REQUIREMENTS ARE BEING MET.

14 (F) RESTRICTIONS ON WITHDRAWAL.--

15 (1) IN ORDER TO OBTAIN MATCHING FUNDS, THE SAVER MUST
16 PRESENT SATISFACTORY EVIDENCE TO THE SERVICE PROVIDER THAT
17 THE AMOUNT BEING WITHDRAWN FROM THE SAVER'S FAMILY SAVINGS
18 ACCOUNT IS BEING USED FOR AN ELIGIBLE USE. WITHDRAWALS FROM A
19 FAMILY SAVINGS ACCOUNT FOR AN ELIGIBLE USE BY A SAVER SHALL
20 BE MADE PAYABLE TO THE LEGAL ENTITY WHICH PROVIDES THE
21 ELIGIBLE USE.

22 (2) MATCH FUNDS SHALL BE PAID BY THE SERVICE PROVIDER TO
23 THE LEGAL ENTITY WHICH PROVIDES THE ELIGIBLE USE. MATCH FUNDS
24 SHALL NOT BE PAID TO THE SAVER.

25 (3) MATCH FUNDS WHICH HAVE NOT BEEN PAID FOR AN ELIGIBLE
26 USE WITHIN FIVE YEARS AFTER THE END OF THE MATCH PERIOD SHALL
27 BE RETURNED TO THE DEPARTMENT FOR DEPOSIT IN THE STATE
28 TREASURY.

29 (4) A SAVER WHO FAILS TO MEET THE SAVINGS GOAL SET FORTH
30 IN THE APPROVED PLAN OR WHO DECIDES TO DROP OUT OF THE
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1 PROGRAM SHALL TERMINATE HIS APPROVED PLAN WITH THE SERVICE
2 PROVIDER ACCORDING TO PROCEDURES DETERMINED BY THE
3 DEPARTMENT. UPON THE TERMINATION OF AN APPROVED PLAN BETWEEN
4 A SAVER AND A SERVICE PROVIDER, THE SERVICE PROVIDER SHALL
5 RETURN THE AMOUNT OF MATCH TO THE DEPARTMENT IN ACCORDANCE
6 WITH THE GUIDELINES ESTABLISHED BY THE DEPARTMENT AND THE
7 SAVER SHALL BE ENTITLED TO WITHDRAW FUNDS WITHIN THE SAVER'S
8 ACCOUNT FOR PURPOSES OTHER THAN PROVIDED BY THIS CHAPTER.

9 SECTION 2103. GUIDELINES.

10 THE DEPARTMENT SHALL DEVELOP GUIDELINES FOR THE OPERATION OF
11 THE PROGRAM, INCLUDING STANDARDS, MINIMUM REQUIREMENTS FOR
12 APPROVAL OF PLANS AND REPORTING REQUIREMENTS FOR SERVICE
13 PROVIDERS AND PARTICIPATING FINANCIAL INSTITUTIONS.

14 SECTION 3 4. THIS ACT SHALL TAKE EFFECT JULY 1, 1997, OR <--
15 IMMEDIATELY, WHICHEVER IS LATER.