

HCS SS SCS SB 174 -- MISSOURI ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM

SPONSOR: Schmitt (Richardson)

COMMITTEE ACTIONS: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 10 to 2. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill changes the laws regarding county sheltered workshops, tax credits for certain contributions, and the Missouri Achieving a Better Life Experience Program.

COUNTY SHELTERED WORKSHOPS (Section 70.210, RSMo)

The bill adds the board of a county sheltered workshop to the types of political subdivisions that may contract and cooperate with other political subdivisions for a common service.

TAX CREDITS FOR CERTAIN CONTRIBUTIONS (Sections 135.1150 and 135.1180)

Currently, the Residential Treatment Agency Tax Credit Act will expire on December 31, 2015, and will terminate on September 1, 2016. The bill extends the expiration of the act to December 31, 2020, and the termination of the act to September 1, 2021.

Currently, the Developmental Disability Care Provider Tax Credit Program will expire December 31, 2016. The bill extends the expiration to December 31, 2020.

MISSOURI ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM (Sections 166.600 to 166.645)

The bill establishes the Missouri Achieving a Better Life Experience Program (ABLE). A participant can make tax-deductible contributions to an account established for the purpose of financing the qualified disability expenses of a designated beneficiary. Designated beneficiaries are persons who are eligible individuals who are entitled to benefits based on disability or blindness under the Social Security Act and the blindness or disability occurred prior to turning 26 years of age. Persons who are certified as disabled also qualify as eligible individuals. "Eligible individual" and "designated beneficiary" are both defined by reference to federal law.

The bill establishes the Missouri ABLE Board that is charged with establishing and administering the ABLE Program. The board is

given power and authority similar to that delegated to the Missouri Higher Education Savings Program Board. The board can enter into participation agreements with participants on behalf of designated beneficiaries that are similar to those participation agreements entered into under the Missouri Higher Education Savings Program.

The bill permits participants to cancel a participation agreement at any time. However, the assets distributed upon cancellation must be subject to a penalty equal to or greater than 10% of the earnings of the account if the distributions do not meet the requirements of this program.

Beginning January 1, 2015, the bill exempts from taxation by the state or any of its political subdivisions the assets of any ABLE account and any income therefrom. Participants may deduct up to \$8,000 per participant or \$16,000 if married filing jointly from their adjusted gross income. The maximum annual and aggregate contribution amounts that can be contributed to an ABLE account may not be less than the amount established for qualified tuition savings accounts by the Missouri Higher Education Savings Program Board.

The bill requires the Director of Investment of the State Treasurer's Office to conduct a semiannual review of the program and report his or her findings to the board that must subsequently disclose the findings at a public meeting.

PROPONENTS: Supporters say that the bill mirrors the Missouri's 529 College Savings (MOST) Plan by creating a similar plan to save for the long-term needs of a child with disabilities. The bill will help people with disabilities achieve economic independence and greater financial security. People with disabilities will also become less reliant on other public programs, while still being able to access necessary supports and services to live independently in their own homes and communities. In December, Congress overwhelmingly passed the federal ABLE Act. Congress recognized the importance of encouraging and assisting individuals with disabilities and their families to save their money to help maintain their health, independence, and have a better quality of life. The ABLE Act also allows individuals to keep more of their own money in savings to be used for disability-related expenses without jeopardizing eligibility for Social Security benefits, Medicaid, and other public assistance. The bill will give this opportunity to Missourians with disabilities. This is very important and needed legislation that will allow Missourians with disabilities to be able to live more independent and fulfilling lives by allowing them the ability to have a 529 type savings account to save for qualifying expenses such as housing, transportation, medical, and education and allow them to have the

opportunity for a much brighter future.

Testifying for the bill were Senator Schmitt; Aimee Wehmeier, Paraquad, Inc.; Karen Burnell Ruff, Southwest Center for Independent Living; and Missouri Association of Shelter Workshop Managers.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that this is a bipartisan bill that was passed in the United States House and Senate.

Testifying on the bill was Robert Honan, Governor's Council on Disability.