

136G.11 MATCHING GRANTS.

Subdivision 1. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 2. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 3. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 4. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 5. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 6. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 7. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 8. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 9. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 10. [Repealed, 1Sp2011 c 5 art 2 s 15]

Subd. 11. **Ownership of matching grant funds.** The state retains ownership of all matching grants and earnings on matching grants until a qualified distribution is made to a beneficiary or an eligible educational institution.

Subd. 12. **Inactive accounts with matching grants.** (a) The plan administrator will attempt to locate the account owner or the beneficiary of an inactive account with a matching grant to determine the disposition of the account. No fee will be charged for this service. The matching grants and matching grant earnings in the account must be returned to the office, unless the account owner applies for a deferment or the beneficiary begins attending an eligible educational institution within one year of the date of notification.

(b) The account owner may apply to the plan administrator for a deferment of inactive account time limits. Upon application, the plan administrator shall grant a onetime deferment of two years. In addition, the plan administrator shall grant a deferment for the beneficiary's initial enlistment for active duty in the armed forces of the United States, or for the period of active military duty required as part of the beneficiary's obligation as a member in a reserve military unit of the armed forces of the United States.

Subd. 13. **Forfeiture of matching grants.** (a) Matching grants are forfeited if:

(1) the account owner transfers the total account balance of an account to another account or to another qualified tuition program;

(2) the beneficiary receives a full tuition scholarship or is attending a United States service academy;

(3) the beneficiary dies or becomes disabled;

(4) the account owner changes the beneficiary of the account; or

(5) the account owner closes the account with a nonqualified withdrawal.

(b) Matching grants must be proportionally forfeited if:

(1) the account owner transfers a portion of an account to another account or to another qualified tuition program;

- (2) the beneficiary receives a scholarship covering a portion of qualified higher education expenses; or
- (3) the account owner makes a partial nonqualified withdrawal.

(c) If the account owner makes a misrepresentation in a participation agreement or an application for a matching grant that results in a matching grant, the matching grant associated with the misrepresentation is forfeited. The office and the board must instruct the plan administrator as to the amount to be forfeited from the matching grant account. The office and the board must withdraw the matching grant or the proportion of the matching grant that is related to the misrepresentation.

History: 1997 c 183 art 2 s 16; 1999 c 214 art 2 s 10; 1Sp2001 c 1 art 3 s 13-21,23; 2003 c 133 art 3 s 17-21; 2005 c 107 art 2 s 40-43; 2007 c 144 art 2 s 43; 2008 c 363 art 4 s 9