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For Immediate Release

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State of the Treasury: Milligan Explains Recent Legislation That Will Benefit Arkansans

Little Rock, Ark. – The Arkansas Legislature has officially adjourned, and I'm happy to report that we accomplished a legislative package that will expand our investment opportunities and make the office run more efficiently.

I'd like to give you a quick rundown of the pieces of legislation that were passed that will directly affect your Treasurer of State's office and operations:

- One of the bills that I'm most excited about is Act 296, which will expand the investment opportunities of the State Treasury Money Management Fund. Currently, state and local entities can invest their cash funds into the State Treasury Money Management Fund and take advantage of the Treasury's investment expertise.

We anticipate this to be a major advantage to those local governments and school districts that already invest in the State Treasury Money Management Fund. Based off of our current earnings, we expect to be able to offer participants a higher rate of return on their investments at a lower cost.

- Another Act that was brought to our attention and which we supported was Act 644 that expands Arkansas' investment opportunities to the State of Israel. Predictably, we also were in support of Act 710, a similar bill that prohibits the state from investing in countries or companies that boycott Israel. Generally speaking, we're in alignment with any increased investment opportunity for the state, so long as the country is an ally of the United States,

so I'm eager to see what kind of opportunities arise from these two pieces of legislation.

- We also had a couple of bills regarding some date changes for reports that the Treasury is required to submit, which will make our office run more smoothly and efficiently.

Switching gears, there were several pieces of legislation that expand the scope of and will make our state-run college-savings program – the Arkansas 529 Plan – a more competitive program for people who invest in it.

Currently, the maximum contributions that can be made each year into an Arkansas 529 Program are \$5,000 per individual or \$10,000 per couple.

- One big piece of legislation, carried by Rep. Fred Love in the House and Sen. Joyce Elliott in the Senate, is what I've been calling the "carry forward" act. It allows people who are able to contribute more than those yearly maximums to carry those extra contributions as deductions on their future state income taxes, up to four years.

We initiated this bill because we wanted to be able to allow Arkansans to be able to count everything they're saving toward their children's post-secondary education in order to get the most advantage from their hard-earned tax dollars.

- The second bill that I'm happy to announce is Act 884, which increases the incentive for businesses to match their employees' Arkansas 529 contributions. Under this legislation, businesses will be allowed to deduct up to \$500 annually per employee.
- A separate bill, Act 883, will make Arkansas' 529 Plan more attractive to people who move here from out-of-state. Under this Act, people who already have a 529 account established in another state and who relocate to Arkansas will be allowed to deduct up to \$3,000 in 529 contributions from their Arkansas state income taxes. To sweeten the deal, the Act will also offer those residents a one-time tax deduction of up to \$7,500 if they roll their funds over into an Arkansas-sponsored 529 plan.

During the first two years of my administration, we've grown the Arkansas 529 Program's total assets by \$130 million, and we want to develop it even more. We were able to get legislation passed that expands the scope of the program while adding some technical corrections that will help us continue that upward trend.

Many states have state-run 529 programs, but it's my hope that these changes will make Arkansas' more competitive on a national scale. I love our beautiful state, and I

plan on doing all I can to make it a place that businesses and families alike can locate to, live, and grow in.

Dennis Milligan was elected Treasurer of State in 2014. The State Treasury is responsible for overseeing the state's \$3.5 billion portfolio. Since taking office in 2015, Milligan has received the state \$100 million in investment returns and has grown the investment portfolio's receipts to their highest level in nearly a decade.