

# Senate Bill 477

Sponsored by Senator MONROE; Representatives CLEM, KENNEMER

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates Oregon 529 College Savings Incentive Program. Directs Oregon Student Assistance Commission to transfer \$250 to certain Oregon 529 College Savings Network accounts established within 12 months of birth or adoption of child.

Appropriates moneys from General Fund, for biennium beginning July 1, 2009, to commission for purpose of Oregon 529 College Savings Incentive Program.

Declares emergency, effective July 1, 2009.

## A BILL FOR AN ACT

1  
2 Relating to Oregon 529 College Savings Network; creating new provisions; amending ORS 348.853;  
3 appropriating money; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. (1) As used in this section:**

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6 (a) **"Eligible child" means a child born to or adopted by an Oregon resident.**

7 (b) **"Oregon resident" means a resident of the State of Oregon as defined by rule of the**  
8 **Oregon Student Assistance Commission.**

9 (c) **"Qualified parent or guardian" means a person who is:**

10 (A) **An Oregon resident; and**

11 (B) **The parent or guardian of an eligible child.**

12 (2) **The Oregon 529 College Savings Incentive Program is created. The program is ad-**  
13 **ministered by the Oregon Student Assistance Commission as provided by this section.**

14 (3) **Upon application of a qualified parent or guardian, the commission shall transfer \$250**  
15 **to an Oregon 529 College Savings Network account established under ORS 348.857 that:**

16 (a) **Provides for an eligible child to be the designated beneficiary; and**

17 (b) **Was established within 12 months of the birth or adoption of the eligible child.**

18 (4) **A qualified parent or guardian must make an application as provided by subsection**  
19 **(3) of this section within 12 months of establishing an Oregon 529 College Savings Network**  
20 **account.**

21 (5) **If the commission denies an application for a transfer, the commission shall notify**  
22 **the applicant of the denial and specify the reason for the denial.**

23 (6) **The commission, in consultation with the Oregon 529 College Savings Board, may**  
24 **adopt rules to administer this section.**

25 **SECTION 2. Section 1 of this 2009 Act first applies to accounts for eligible children who**  
26 **are born or adopted on or after January 1, 2010.**

27 **SECTION 3. ORS 348.853 is amended to read:**

28 348.853. The Oregon 529 College Savings Board shall have the following powers, duties, and  
29 functions:

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (1) To establish, develop, implement and maintain the Oregon 529 College Savings Network in  
 2 a manner consistent with ORS 348.841 to 348.873 and section 529 of the Internal Revenue Code and  
 3 to obtain the benefits of section 529 of the Internal Revenue Code for the network and its partic-  
 4 ipants.

5 (2) To adopt rules for the general administration of the network, to administer ORS 348.841 to  
 6 348.873 and to ensure the network's compliance with section 529 of the Internal Revenue Code.

7 (3) To maintain, invest and reinvest the funds contributed into the network consistent with the  
 8 investment restrictions established by the board. The investment restrictions shall be consistent  
 9 with the objectives of the network, and the board shall exercise the judgment and care then pre-  
 10 vailing that persons of prudence, discretion and intelligence exercise in the management of their  
 11 own affairs with due regard to the probable income and level of risk from certain types of invest-  
 12 ments of money, in accordance with the policies established by the board.

13 (4) To make and enter into any and all contracts, agreements or arrangements, and to retain,  
 14 employ and contract for the services of private and public financial institutions, depositories, con-  
 15 sultants, investment advisors or managers and third-party plan administrators and for research,  
 16 technical and other services necessary or desirable for carrying out the purposes of ORS 348.841 to  
 17 348.873.

18 (5) To accept donations or receive funds for the purpose of providing scholarships, grants and  
 19 other incentives to account owners, potential account owners and their designated beneficiaries or  
 20 furthering any of the purposes of ORS 348.841 to 348.873.

21 (6) To encourage increased participation in the network by awarding scholarships or grants,  
 22 providing or making available other incentives to account owners or potential account owners and  
 23 their designated beneficiaries, or entering into promotional arrangements with third parties as the  
 24 board deems desirable.

25 **(7) To promote the Oregon 529 College Savings Incentive Program created by section 1**  
 26 **of this 2009 Act.**

27 **SECTION 4. There is appropriated to the Oregon Student Assistance Commission, for the**  
 28 **biennium beginning July 1, 2009, out of the General Fund, the amount of \$\_\_\_\_\_ for the**  
 29 **purposes of carrying out the provisions of the Oregon 529 College Savings Incentive Program**  
 30 **and promoting the program.**

31 **SECTION 5. This 2009 Act being necessary for the immediate preservation of the public**  
 32 **peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect**  
 33 **July 1, 2009.**

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