

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	5 - 0 - 2 - 1
<b>Yeas:</b>	Conger, Sheehan, Smith J., Holvey, Whisnant
<b>Nays:</b>	0
<b>Exc.:</b>	Cameron, Matthews
<b>Abs:</b>	Clem
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	4/26, 5/19, 5/24

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**WHAT THE MEASURE DOES:** Allows State Treasurer to name designee to serve in lieu of Treasurer on Oregon 529 College Savings Board. Directs State Treasurer to designate Board chairperson. Requires Board to report by March 15 of each year to Governor and Legislative Assembly.

**ISSUES DISCUSSED:**

- Treasurer’s oversight of 529 fund
- Lack of statutory deadline for annual report

**EFFECT OF COMMITTEE AMENDMENT:** Requires the report of the College Savings Board to be submitted by March 15 of each year. Deletes provision that College Savings Board report can be included within an annual report from the State Treasurer.

**BACKGROUND:** The Oregon 529 College Savings Board is composed of five members: the State Treasurer, who serves as the chair; a member of the State Board of Higher Education, selected by its board; a representative of a private college or university, appointed by the Treasurer; and two public members, appointed by the Treasurer. Senate Bill 16-B allows the Treasurer to name a designee to serve in his or her place. The bill also directs the Treasurer to designate a chairperson.

Current statute requires the Board to report on its activities by February 1 of each odd-numbered year. Senate Bill 16-B requires the report to be submitted by March 15 of every year.

A “529 Plan” is a state-sponsored, tax-advantaged investment vehicle designed to encourage and help families to save for the future higher education expenses of designated beneficiaries. The plans are so named because they are governed by Section 529 of the Internal Revenue Code. Beneficiaries of the plans can attend any eligible educational institution in the United States or abroad. There is no contribution limit, except that no beneficiary’s total accounts may exceed \$310,000. Contributions are tax deductible and investment earnings and withdrawals are both state and federally tax-free.