

# House Bill 2740

Sponsored by Representative READ; Representatives BARKER, DEMBROW, DOHERTY, GELSER, GREENLICK, HUFFMAN, HUNT (Pre-session filed.)

## 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**.

Directs State Registrar of Center for Health Statistics to send certified copy of birth certificate for each child born in Oregon to residents of this state to Oregon 529 College Savings Board.

Requires board to send notice to parents of child indicated on birth certificate of opportunity to open college savings account. Directs board to make deposit from Oregon 529 College Savings Network Fund into account with child as designated beneficiary when parent acknowledges intent to establish account. Requires regular contributions by parent to maintain account. Directs board to adopt rules.

Takes effect July 1, 2012.

## A BILL FOR AN ACT

1  
2 Relating to Oregon 529 College Savings Network accounts; creating new provisions; amending ORS  
3 348.841, 348.857 and 432.121; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS 432.005 to**  
6 **432.165.**

7 **SECTION 2. The State Registrar of the Center for Health Statistics shall, within three**  
8 **months after the date of birth of a child born in Oregon to residents of this state, send a**  
9 **certified copy of the child's birth certificate to the Oregon 529 College Savings Board for the**  
10 **purposes of implementing section 5 of this 2011 Act.**

11 **SECTION 3. ORS 432.121 is amended to read:**

12 432.121. (1) To protect the integrity of vital records and vital reports, to ensure their proper use  
13 and to ensure the efficient and proper administration of the system of vital statistics, it shall be  
14 unlawful for any person to permit inspection of, or to disclose information from vital records or vital  
15 reports in the custody of the State Registrar of the Center for Health Statistics, county registrar  
16 or local registrar or to copy or issue a copy of all or part of any such record or report unless au-  
17 thorized by this chapter and by rules adopted pursuant thereto or by order of a court of competent  
18 jurisdiction. Rules adopted under this section shall provide for adequate standards of security and  
19 confidentiality of vital records and vital reports. The state registrar shall adopt rules to ensure  
20 that, for records of dissolution of marriage issued in proceedings under ORS 107.085 or 107.485, So-  
21 cial Security numbers of the parties are kept confidential and exempt from public inspection.

22 (2) The State Registrar of the Center for Health Statistics shall authorize the inspection, dis-  
23 closure and copying of the information referred to in subsection (1) of this section as follows:

24 (a) To the subject of the record; spouse, child, parent, sibling or legal guardian of the subject  
25 of the record; an authorized representative of the subject of the record, spouse, child, parent, sibling  
26 or legal guardian of the subject of the record; and, in the case of death, marriage or divorce records,  
27 to other next of kin.

**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 (b) When a person demonstrates that a death, marriage or divorce record is needed for the de-  
2 termination or protection of a personal or property right.

3 (c) When 100 years have elapsed after the date of birth or 50 years have elapsed after the date  
4 of death, marriage or divorce.

5 (d) When the person requesting the information demonstrates that the person intends to use the  
6 information solely for research purposes. In order to receive the information, the person must submit  
7 a written request to the state registrar requesting a research agreement. The state registrar shall  
8 issue a research agreement if the person demonstrates that the information will be used only for  
9 research and will be held confidential. The research agreement shall prohibit the release by the  
10 person of any information other than that authorized by the agreement that might identify any  
11 person or institution.

12 (e) To the federal agency responsible for national vital statistics, upon request. The copies or  
13 data may be used solely for the conduct of official duties. Before furnishing the records, reports or  
14 data, the state registrar shall enter into an agreement with the federal agency indicating the sta-  
15 tistical or research purposes for which the records, reports or data may be used. The agreement  
16 shall also set forth the support to be provided by the federal agency for the collection, processing  
17 and transmission of the records, reports or data. Upon written request of the federal agency, the  
18 state registrar may approve, in writing, additional statistical or research uses of the records, reports  
19 or data supplied under the agreement.

20 (f) To federal, state and local governmental agencies, upon request. The copies or data may be  
21 used solely for the conduct of official duties of the requesting governmental agency.

22 (g) To offices of vital statistics outside this state when such records or other reports relate to  
23 residents of those jurisdictions or persons born in those jurisdictions. Before furnishing the records,  
24 reports or data, the state registrar shall enter into an agreement with the office of vital statistics.  
25 The agreement shall specify the statistical and administrative purposes for which the records, re-  
26 ports or data may be used and the agreement shall further provide instructions for the proper re-  
27 tention and disposition of the copies. Copies received by the Center for Health Statistics from offices  
28 of vital statistics in other states shall be handled in the same manner as prescribed in this section.

29 (h) To an investigator licensed under ORS 703.430, upon request.

30 **(i) To the Oregon 529 College Savings Board as required by section 2 of this 2011 Act.**

31 (3) The state registrar, upon request of a family member or legal representative, shall issue a  
32 certified copy or other copy of a death certificate containing the cause of death information as  
33 provided in subsection (2) of this section or as follows:

34 (a) When a person has demonstrated through documented evidence a need for the cause of death  
35 to establish a legal right or claim.

36 (b) When the request for the copy is made by or on behalf of an organization that provides  
37 benefits to the decedent's survivors or beneficiaries.

38 (4) Nothing in this section prohibits the release of information or data that would not identify  
39 any person or institution named in a vital record or a vital report.

40 (5) Nothing in this section shall prohibit a health care provider from disclosing information  
41 contained in the provider's records as otherwise allowed by law.

42 (6) Nothing in this section shall be construed to permit disclosure of information contained in  
43 the "Information for Medical and Health Use Only" section of the birth certificate, fetal death re-  
44 port or the "Information for Statistical Purposes Only" section or other confidential section of the  
45 application, license and record of marriage or certificate of divorce, unless specifically authorized

1 by the state registrar for statistical or research purposes. The data shall not be subject to subpoena  
 2 or court order and shall not be admissible before any court, tribunal or judicial body.

3 (7) All forms and procedures used in the issuance of certified copies of vital records and vital  
 4 reports shall be uniform and provided by or approved by the state registrar. All certified copies is-  
 5 sued shall have security features that safeguard the document against alteration, counterfeiting,  
 6 duplication or simulation without ready detection.

7 (8) Each copy issued shall show the date of filing. Copies issued from records marked  
 8 "Amended" shall be similarly marked and shall show the effective date of the amendment. Copies  
 9 issued from records marked "Delayed" shall be similarly marked and shall include the date of filing  
 10 and a description of the evidence used to establish the delayed certificate.

11 (9) Any copy issued of a certificate of foreign birth shall indicate this fact and show the actual  
 12 place of birth and the fact that the certificate is not proof of United States citizenship for an  
 13 adoptive child.

14 (10) Appeals from decisions of the state registrar to refuse to disclose information or to permit  
 15 inspection or copying of records as prescribed by this section and rules adopted pursuant thereto  
 16 shall be made under ORS chapter 183.

17 (11) The state registrar shall adopt rules to implement this section in accordance with the ap-  
 18 plicable sections of ORS chapter 183.

19 (12) Indexes of deaths, marriages or divorces that list names, dates of events, county of events  
 20 or certificate numbers may be disclosed.

21 **SECTION 4. Section 5 of this 2011 Act is added to and made a part of ORS 348.841 to**  
 22 **348.873.**

23 **SECTION 5. (1) Within 30 days after receiving a certified copy of a birth certificate under**  
 24 **section 2 of this 2011 Act, the Oregon 529 College Savings Board shall notify the parents of**  
 25 **the child whose birth is recorded on the birth certificate, as the parents' names appear on**  
 26 **the birth certificate, of the opportunity to open an account under subsection (2) of this sec-**  
 27 **tion for the benefit of their child as designated beneficiary of the account. The notice shall**  
 28 **be sent to the address or addresses of the child's parents as the address or addresses appear**  
 29 **on the birth certificate. The board shall adopt rules specifying the contents of the notice.**  
 30 **The notice must, at a minimum, include the following:**

31 (a) **The purpose of the account;**

32 (b) **Actions the parents must take to establish an account in their names as account**  
 33 **owners, either individually or jointly, and to maintain the account, including but not limited**  
 34 **to the requirements for a matching contribution and ongoing regular contributions as re-**  
 35 **quired under subsection (3) of this section;**

36 (c) **Actions the parents must take to inform the board if the parents do not want to es-**  
 37 **tablish an account;**

38 (d) **How, when and for what purposes qualified withdrawals from the account may be**  
 39 **made; and**

40 (e) **Other information as designated by the board by rule.**

41 (2)(a) **Upon receipt of an acknowledgment from one or both parents of a child on whose**  
 42 **behalf a notice was sent under subsection (1) of this section that one or both parents want**  
 43 **to establish an account for their child as designated beneficiary, and upon compliance with**  
 44 **all other requirements preliminary to establishing an account as set forth by the board by**  
 45 **rule, the board shall establish an account and make an initial deposit into the account of at**

1 least \$100, or such other amount as the board may specify by rule, from the Oregon 529  
2 College Savings Network Fund. The account shall designate:

3 (A) One or both parents, individually or jointly, as account owner or account owners; and

4 (B) The child whose birth is recorded on the birth certificate as designated beneficiary.

5 (b) Only one account per child may be established under this subsection.

6 (3) Parents of the designated beneficiary of an account established under subsection (2)  
7 of this section shall do all of the following in order to maintain the account:

8 (a) Make a matching contribution in an amount that equals the amount deposited into  
9 the account by the board under subsection (2) of this section within 12 months after the  
10 board's deposit. The contribution required by this paragraph may be made in installments  
11 at intervals to be determined by the board by rule provided that the full amount of the  
12 matching contribution is deposited within 12 months after the board's deposit.

13 (b) Make regular contributions to the account in amounts and at intervals as determined  
14 by the board by rule.

15 (c) Comply with any other requirement established by the board by rule.

16 (4) A withdrawal from an account established under this section is a nonqualified with-  
17 drawal:

18 (a) Unless the account owner or account owners have made the matching and regular  
19 contributions required by subsection (3) of this section for such period of time as is deter-  
20 mined by the board by rule to evidence the intention of the account owner or account owners  
21 to maintain the account on behalf of the designated beneficiary; or

22 (b) If the withdrawal would reduce the balance in the account to an amount that is less  
23 than the amount of the deposit made by the board under subsection (2) of this section.

24 (5)(a) A parent who is younger than 18 years of age at the time an account is established  
25 under subsection (2) of this section must have a person who is 18 years of age or older cosign  
26 as account owner unless the parent is married or has been emancipated by judgment of the  
27 court under ORS 419B.550 to 419B.558.

28 (b) Upon reaching the age of 18 years, a parent may make application to the board to  
29 remove the cosigner designated under paragraph (a) of this subsection as account owner of  
30 the account.

31 (6)(a) The board may, upon determining that a child for whom an account has not been  
32 established under this section has been lawfully adopted, send notice as provided in sub-  
33 section (1) of this section to the adoptive parents with modifications to the notice as neces-  
34 sary to the circumstances of the adoptive parents and the adopted child and as provided by  
35 the board by rule.

36 (b) If an account has already been established under this section for the adopted child,  
37 the adoptive parents may apply to the board to change the designated account owners, if  
38 different from the adoptive parents, to the adoptive parents as account owners in accordance  
39 with rules adopted by the board.

40 (c) All other provisions of this section shall apply to accounts established for an adopted  
41 child under this subsection.

42 (7) The board shall adopt rules to administer the provisions of this section.

43 **SECTION 6.** ORS 348.841 is amended to read:

44 348.841. As used in ORS 348.841 to 348.873:

45 (1) "Account" means an individual account established in accordance with ORS 348.841 to

1 348.873.

2 (2) "Account owner" means the person who has the right to withdraw funds from the account.  
 3 The account owner may also be the designated beneficiary of the account, **except for accounts**  
 4 **established under section 5 of this 2011 Act.**

5 (3) "Board" means the Oregon 529 College Savings Board established under ORS 348.849.

6 (4) "Designated beneficiary" means, except as provided in ORS 348.867, the individual designated  
 7 at the time the account is opened as having the right to receive a qualified withdrawal for the  
 8 payment of qualified higher education expenses, or if the designated beneficiary is replaced in ac-  
 9 cordance with ORS 348.867, the replacement.

10 (5) "Financial institution" means a bank, a commercial bank, a national bank, a savings bank,  
 11 a savings and loan, a thrift institution, a credit union, an insurance company, a trust company, a  
 12 mutual fund, an investment firm or other similar entity authorized to do business in this state.

13 (6) "Higher education institution" means an eligible education institution as defined in section  
 14 529(e)(5) of the Internal Revenue Code.

15 (7) "Internal Revenue Code" means the federal Internal Revenue Code.

16 (8) "Member of the family" shall have the same meaning as contained in section 529(e) of the  
 17 Internal Revenue Code.

18 (9) "Network" means the Oregon 529 College Savings Network established under ORS 348.841  
 19 to 348.873.

20 (10) "Nonqualified withdrawal" means a withdrawal from an account that is not a qualified  
 21 withdrawal.

22 (11) "Qualified higher education expenses" means tuition and other permitted expenses as set  
 23 forth in section 529(e) of the Internal Revenue Code for the enrollment or attendance of a designated  
 24 beneficiary at a higher education institution.

25 (12) "Qualified withdrawal" means a withdrawal made as prescribed under ORS 348.870 and  
 26 made:

27 (a) From an account to pay the qualified higher education expenses of the designated benefi-  
 28 ciary;

29 (b) As the result of the death or disability of the designated beneficiary;

30 (c) As the result of a scholarship, allowance or payment described in section 135(d)(1)(A), (B)  
 31 or (C) of the Internal Revenue Code that is received by the designated beneficiary, but only to the  
 32 extent of the amount of the scholarship, allowance or payment; or

33 (d) As a rollover or change in the designated beneficiary described in ORS 348.867.

34 **SECTION 7.** ORS 348.857 is amended to read:

35 348.857. (1) An account owner may establish an account by:

36 (a) Making an initial contribution to the Oregon 529 College Savings Network in the name of  
 37 the designated beneficiary; **or**

38 (b) **Complying with the provisions of section 5 of this 2011 Act.** [*Once a contribution is made*  
 39 *it becomes part of the network and subject to the provisions of ORS 348.841 to 348.873.*]

40 (2) Any person may make a contribution to an account once an account is opened. **Once a**  
 41 **contribution is made it becomes part of the network and subject to the provisions of ORS**  
 42 **348.841 to 348.873.**

43 (3) Contributions to an account shall be made only in cash.

44 (4) Total contributions to all accounts established on behalf of a particular beneficiary may not  
 45 exceed those reasonably necessary to provide for the qualified higher education expenses of the

1 designated beneficiary. The Oregon 529 College Savings Board shall establish maximum contribution  
2 limits applicable to network accounts and shall require the provision of any information from the  
3 account owner and the designated beneficiary that the board deems necessary to establish these  
4 limits.

5 (5) Separate records and accounting shall be required for each account and reports shall be  
6 made no less frequently than annually to the account owner.

7 (6) The board may collect application, account or administrative fees to defray the costs of the  
8 network.

9 **SECTION 8. Sections 2 and 5 of this 2011 Act and the amendments to ORS 348.841, 348.857  
10 and 432.121 by sections 3, 6 and 7 of this 2011 Act apply to children born in Oregon to resi-  
11 dents of this state on or after the effective date of this 2011 Act.**

12 **SECTION 9. This 2011 Act takes effect on July 1, 2012.**

13