

# Senate Bill 15

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## 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**.

Eliminates four-year limitation on carrying forward amounts contributed to college savings network account. Prohibits reduction of state share of Oregon Opportunity Grant based on amounts available from college savings network account.

Applies to tax years beginning on or after January 1, 2011.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to college financial aid; creating new provisions; amending ORS 316.699 and 348.205; and  
3 prescribing an effective date.

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

5 **SECTION 1.** ORS 316.699 is amended to read:

6 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a  
7 college savings network account established under ORS 348.841 to 348.873.

8 (2) Notwithstanding subsection (1) of this section, a subtraction under this section may not ex-  
9 ceed the lesser of:

10 (a) \$4,000 for the tax year if the taxpayer files a joint return, or \$2,000 for the tax year if the  
11 taxpayer files a return other than a joint return; and

12 (b) If an amount is carried forward to a succeeding tax year under subsection (4) of this section,  
13 the balance in the college savings network account at the close of the tax year for which the sub-  
14 traction is being made.

15 (3)(a) The Department of Revenue shall annually adjust the maximum subtraction allowable un-  
16 der this section according to the cost-of-living adjustment for the calendar year. The department  
17 shall make this adjustment by multiplying the amount in subsection (2) of this section by the per-  
18 centage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12  
19 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S.  
20 City Average Consumer Price Index for the 12 consecutive months ending August 31, 2007.

21 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City  
22 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of  
23 Labor Statistics of the United States Department of Labor.

24 (4) Any amounts contributed to a college savings network account that are not subtracted from  
25 federal taxable income because of the monetary limitations imposed by subsection (2) of this section  
26 may be carried forward for *four* **any number of** succeeding tax years and subtracted from federal  
27 taxable income in any of those succeeding tax years in an amount that does not exceed the mone-  
28 tary limitations imposed by subsection (2) of this section.

**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 (5) The amount contributed to a college savings network account may be subtracted from a  
2 preceding tax year if the contribution is made before the taxpayer files a return or before the 15th  
3 day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

4 **SECTION 2.** ORS 348.205 is amended to read:

5 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student  
6 Assistance Commission.

7 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-  
8 dent, the family of the student, the federal government and the state.

9 (3) The commission shall determine the cost of education of a qualified student based on the type  
10 of eligible post-secondary institution the student is attending. The cost of education equals:

11 (a) For a student attending a community college, the average cost of education of attending a  
12 community college in this state;

13 (b) For a student attending an institution under the direction of the State Board of Higher Ed-  
14 ucation, the average cost of education of attending an institution under the direction of the board;

15 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-  
16 tion of higher education, the average cost of education of attending a community college in this  
17 state; and

18 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-  
19 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-  
20 cation of attending an institution under the direction of the board.

21 (4)(a) The commission shall determine the amount of the student share. The student share shall  
22 be based on:

23 (A) The type of eligible post-secondary institution the student is attending;

24 (B) The number of hours of work that the commission determines may be reasonably expected  
25 from the student; and

26 (C) The amount of loans that the commission determines would constitute a manageable debt  
27 burden for the student.

28 (b) The student shall determine how to cover the student share through income from work,  
29 loans, savings and scholarships.

30 (c) The student share for a student who attends a community college may not exceed the amount  
31 that the commission determines a student may earn based on the number of hours of work reason-  
32 ably expected from the student under paragraph (a) of this subsection.

33 (d) The student share for a student who attends an eligible post-secondary institution that is not  
34 a community college may not exceed the sum of the amount that the commission determines a stu-  
35 dent may receive as loans plus the amount a student may earn based on the number of hours of  
36 work reasonably expected from the student under paragraph (a) of this subsection.

37 (5) The commission shall determine the amount of the family share. The family share shall be  
38 based on the resources of the family.

39 (6) The commission shall determine the amount of the federal share based on how much the  
40 student or the student's family is expected to receive from the federal government as grants, loans,  
41 tax credits or other student assistance.

42 (7)(a) The commission shall determine the amount of the state share. The state share shall be  
43 equal to the cost of education reduced by the student share, family share and amount received by  
44 the student from the federal government.

45 (b) The commission shall establish a minimum amount that a student may receive as a state

1 share. If the commission determines that the amount of the state share of a student is below the  
2 minimum amount, the student may not receive the state share.

3 (c) In determining the amount of the state share, the commission shall consider the total amount  
4 available to award as grants to all qualified students. If the commission must reduce the amount of  
5 the state share under this paragraph, the commission may not reduce the amount of the state share  
6 awarded to students in the low income range in a greater proportion than the amount that the state  
7 share for students in other income ranges is reduced.

8 **(d) The commission may not reduce the amount of the state share based on amounts**  
9 **available to a student who is the designated beneficiary of a college savings network account**  
10 **established under ORS 348.841 to 348.873.**

11 **SECTION 3. The amendments to ORS 316.699 and 348.205 by sections 1 and 2 of this 2011**  
12 **Act apply to tax years beginning on or after January 1, 2011.**

13 **SECTION 4. This 2011 Act takes effect on the 91st day after the date on which the 2011**  
14 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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