

SB 777

Relating to savings accounts for disability-related expenses

The Subcommittee approved a \$664,743 General Fund appropriation to the Treasurer of the State and two permanent, full-time position for the establishment of an Achieving a Better Life Experience Act, or ABLE, program. The measure is effective on the 91st day after adjournment.

The ABLE program allows for individuals of this state and others to save for disability-related expenses. Contributions and distributions are tax deductible under state law; however, the plan limits tax exempt contributions to those made before the beneficiary attains 21 years of age.

The measure forms a single state 529 program by merging the ABLE program with the existing Oregon 529 College Savings Network program. The State Treasurer, by administrative rule, is to establish a qualified state ABLE program by no later than January 1, 2017.

The measure renames the existing Oregon 529 College Savings Network Fund to the Oregon 529 Savings Network Fund. The fund would have two interest-bearing subaccounts: Oregon 529 College Savings Plan Subaccount and the Oregon 529 ABLE Subaccount. All monies in the original Oregon 529 College Savings Network Fund are to be transferred to the Oregon 529 College Savings Plan Subaccount by January 1, 2016.

A General Fund appropriation is required to fund the ABLE program's operating expenses until sufficient fee revenue is received to pay such expenses. The measure stipulates that

General Fund expenditures are to be repaid with future administrative fees from the Oregon 529 ABLÉ Subaccount.

The 2017-19 cost of the measure is estimated to be \$662,524.

The General Government Subcommittee recommends SB 777 be amended by the -B5 amendment and be reported out do pass, as amended.