

**B-Engrossed**  
**Senate Bill 777**

Ordered by the Senate April 27  
Including Senate Amendments dated April 7 and April 27

Sponsored by Senator GELSER

**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.

Directs Oregon 529 Savings Board to establish by rule qualified state ABLE Act program as described in federal Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014. Allows persons with disabilities to establish savings accounts for disability-related expenses. Excludes distributions from account for qualified disability expenses from federal taxable income. Subtracts contributions made to account from federal taxable income **when contribution is made before designated beneficiary of account attains 21 years of age.**

Increases, for biennium beginning July 1, 2015, limitation on expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by State Treasurer, for purposes of establishing ABLE program.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to savings accounts for disability-related expenses; creating new provisions; amending ORS  
3 279A.025, 316.680, 316.699, 348.841, 348.844, 348.849, 348.853, 348.856, 348.857, 348.860, 348.863,  
4 348.867, 348.869, 348.870, 348.873, 458.685, 458.690 and 458.700; and prescribing an effective date.

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

6 **SECTION 1. As used in this section and section 2 of this 2015 Act:**

7 (1) **"ABLE account"** means an account established by an eligible individual, owned by the  
8 eligible individual and maintained under the qualified ABLE program established by the  
9 Oregon 529 Savings Board under section 2 of this 2015 Act.

10 (2) **"ABLE Act"** means the Stephen Beck, Jr., Achieving a Better Life Experience Act  
11 of 2014 (Division B of P.L. 113-295).

12 (3) **"Designated beneficiary"** has the same meaning as contained in section 529A of the  
13 Internal Revenue Code.

14 (4) **"Eligible individual"** has the same meaning as contained in section 529A of the Inter-  
15 nal Revenue Code.

16 (5) **"Internal Revenue Code"** means the federal Internal Revenue Code as amended and  
17 in effect on the effective date of this 2015 Act.

18 (6) **"Qualified disability expense"** has the same meaning as contained in section 529A of  
19 the Internal Revenue Code.

20 **SECTION 2.** (1) The Oregon 529 Savings Board shall establish by rule and maintain a  
21 qualified ABLE program in accordance with the requirements of the ABLE Act.

22 (2) The rules must:

23 (a) Allow a person to make contributions for a taxable year to an ABLE account estab-

**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 **lished for the purpose of meeting the qualified disability expenses of the designated benefi-**  
2 **ciary of the account;**

3 **(b) Limit a designated beneficiary to one ABLE account for purposes of this section;**

4 **(c) Require cash-only contributions to ABLE accounts;**

5 **(d) Provide for a separate accounting for each designated beneficiary of an ABLE ac-**  
6 **count;**

7 **(e) Provide that a designated beneficiary of an ABLE account may not, directly or indi-**  
8 **rectly, direct the investment of contributions to the account, or earnings on the account,**  
9 **more than two times in any calendar year;**

10 **(f) Prohibit the use of a designated beneficiary's interest in an ABLE account as security**  
11 **for a loan;**

12 **(g) Establish limitations on aggregate contributions to an ABLE account on behalf of a**  
13 **designated beneficiary; and**

14 **(h) Satisfy all other requirements of section 529A of the Internal Revenue Code, the**  
15 **ABLE Act, rules adopted by the United States Secretary of the Treasury under the ABLE**  
16 **Act and other applicable federal law.**

17 **SECTION 3.** ORS 316.680 is amended to read:

18 316.680. (1) There shall be subtracted from federal taxable income:

19 (a) The interest or dividends on obligations of the United States and its territories and pos-  
20 sessions or of any authority, commission or instrumentality of the United States to the extent  
21 includable in gross income for federal income tax purposes but exempt from state income taxes un-  
22 der the laws of the United States. However, the amount subtracted under this paragraph shall be  
23 reduced by any interest on indebtedness incurred to carry the obligations or securities described in  
24 this paragraph, and by any expenses incurred in the production of interest or dividend income de-  
25 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,  
26 are deductible in determining federal taxable income.

27 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as  
28 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for  
29 which a tax benefit was received.

30 (c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the  
31 extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce  
32 federal taxable income by those amounts.

33 (d) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

34 (e)(A) Federal pension income that is attributable to federal employment occurring before Oc-  
35 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before  
36 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for  
37 the tax year by the ratio of the number of months of federal creditable service occurring before  
38 October 1, 1991, over the total number of months of federal creditable service.

39 (B) The subtraction allowed under this paragraph applies only to federal pension income re-  
40 ceived at a time when:

41 (i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

42 (ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,  
43 are exempt from state income tax.

44 (C) As used in this paragraph:

45 (i) "Federal creditable service" means those periods of time for which a federal employee earned

1 a federal pension.

2 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-  
3 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-  
4 aries.

5 (f) Any amount included in federal taxable income for the tax year that is attributable to the  
6 conversion of a regular individual retirement account into a Roth individual retirement account  
7 described in section 408A of the Internal Revenue Code, to the extent that:

8 (A) The amount was subject to the income tax of another state or the District of Columbia in  
9 a prior tax year; and

10 (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax  
11 year.

12 (g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS  
13 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-  
14 termining the taxpayer's federal taxable income for the tax year.

15 (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax  
16 year in qualified withdrawals from a [college] savings network account **for higher education** es-  
17 tablished under ORS 348.841 to 348.873.

18 (i) **If included in taxable income for federal tax purposes, any distributions from an ABL**  
19 **account that do not exceed the qualified disability expenses of the designated beneficiary as**  
20 **provided in sections 1 and 2 of this 2015 Act and rules adopted by the Oregon 529 Savings**  
21 **Board.**

22 (2) There shall be added to federal taxable income:

23 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any  
24 foreign state or of a political subdivision or authority of any foreign state. However, the amount  
25 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the  
26 obligations or securities described in this paragraph and by any expenses incurred in the production  
27 of interest or dividend income described in this paragraph.

28 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-  
29 torial possession of the United States that by the laws of the United States are exempt from federal  
30 income tax but not from state income taxes. However, the amount added under this paragraph shall  
31 be reduced by any interest on indebtedness incurred to carry the obligations or securities described  
32 in this paragraph and by any expenses incurred in the production of interest or dividend income  
33 described in this paragraph.

34 (c) The amount of any federal estate taxes allocable to income in respect of a decedent not  
35 taxable by Oregon.

36 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the  
37 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-  
38 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

39 (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under  
40 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

41 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-  
42 ness credits under section 196 of the Internal Revenue Code.

43 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws  
44 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,  
45 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal

1 Revenue Code.

2 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer  
3 during the tax year if:

4 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the  
5 tax year; and

6 (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

7 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-  
8 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right  
9 income repayment adjustment under ORS 315.068.

10 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a [college]  
11 savings network account **for higher education** established under ORS 348.841 to 348.873, the  
12 amount of the withdrawal that is attributable to contributions that were subtracted from federal  
13 taxable income under ORS 316.699.

14 **(k) If the taxpayer makes a distribution from an ABLE account that is not a qualified**  
15 **disability expense of the designated beneficiary as provided in sections 1 and 2 of this 2015**  
16 **Act and rules adopted by the Oregon 529 Savings Board, the amount of the distribution that**  
17 **is attributable to contributions that were subtracted from federal taxable income under ORS**  
18 **316.699.**

19 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-  
20 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this  
21 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the  
22 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-  
23 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

24 **SECTION 4.** ORS 316.680, as amended by section 74, chapter 1, Oregon Laws 2015, is amended  
25 to read:

26 316.680. (1) There shall be subtracted from federal taxable income:

27 (a) The interest or dividends on obligations of the United States and its territories and pos-  
28 sessions or of any authority, commission or instrumentality of the United States to the extent  
29 includable in gross income for federal income tax purposes but exempt from state income taxes un-  
30 der the laws of the United States. However, the amount subtracted under this paragraph shall be  
31 reduced by any interest on indebtedness incurred to carry the obligations or securities described in  
32 this paragraph, and by any expenses incurred in the production of interest or dividend income de-  
33 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,  
34 are deductible in determining federal taxable income.

35 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as  
36 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for  
37 which a tax benefit was received.

38 (c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the Internal Revenue Code to the  
39 extent that the taxpayer does not elect under section 642(g) of the Internal Revenue Code to reduce  
40 federal taxable income by those amounts.

41 (d) Any supplemental payments made to JOBS Plus Program participants under ORS 411.892.

42 (e)(A) Federal pension income that is attributable to federal employment occurring before Oc-  
43 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before  
44 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for  
45 the tax year by the ratio of the number of months of federal creditable service occurring before

1 October 1, 1991, over the total number of months of federal creditable service.

2 (B) The subtraction allowed under this paragraph applies only to federal pension income re-  
3 ceived at a time when:

4 (i) Benefit increases provided under chapter 569, Oregon Laws 1995, are in effect; or

5 (ii) Public Employees Retirement System benefits received for service prior to October 1, 1991,  
6 are exempt from state income tax.

7 (C) As used in this paragraph:

8 (i) "Federal creditable service" means those periods of time for which a federal employee earned  
9 a federal pension.

10 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-  
11 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-  
12 aries.

13 (f) Any amount included in federal taxable income for the tax year that is attributable to the  
14 conversion of a regular individual retirement account into a Roth individual retirement account  
15 described in section 408A of the Internal Revenue Code, to the extent that:

16 (A) The amount was subject to the income tax of another state or the District of Columbia in  
17 a prior tax year; and

18 (B) The taxpayer was a resident of the other state or the District of Columbia for that prior tax  
19 year.

20 (g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS  
21 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-  
22 termining the taxpayer's federal taxable income for the tax year.

23 (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax  
24 year in qualified withdrawals from a [college] savings network account **for higher education** es-  
25 tablished under ORS 348.841 to 348.873.

26 (i) For income tax years commencing on or after January 1, 2015, the amount of any deductions  
27 or credits that the taxpayer would have been allowed but for the provisions of section 280E of the  
28 Internal Revenue Code.

29 **(j) If included in taxable income for federal tax purposes, any distributions from an ABLE**  
30 **account that do not exceed the qualified disability expenses of the designated beneficiary as**  
31 **provided in sections 1 and 2 of this 2015 Act and rules adopted by the Oregon 529 Savings**  
32 **Board.**

33 (2) There shall be added to federal taxable income:

34 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any  
35 foreign state or of a political subdivision or authority of any foreign state. However, the amount  
36 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the  
37 obligations or securities described in this paragraph and by any expenses incurred in the production  
38 of interest or dividend income described in this paragraph.

39 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-  
40 torial possession of the United States that by the laws of the United States are exempt from federal  
41 income tax but not from state income taxes. However, the amount added under this paragraph shall  
42 be reduced by any interest on indebtedness incurred to carry the obligations or securities described  
43 in this paragraph and by any expenses incurred in the production of interest or dividend income  
44 described in this paragraph.

45 (c) The amount of any federal estate taxes allocable to income in respect of a decedent not

1 taxable by Oregon.

2 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the  
3 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-  
4 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

5 (e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under  
6 section 151 of the Internal Revenue Code for personal exemptions for the taxable year.

7 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-  
8 ness credits under section 196 of the Internal Revenue Code.

9 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws  
10 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,  
11 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal  
12 Revenue Code.

13 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer  
14 during the tax year if:

15 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the  
16 tax year; and

17 (B) The taxpayer claims the credit allowed under ORS 315.610 for the tax year.

18 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-  
19 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right  
20 income repayment adjustment under ORS 315.068.

21 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a [college]  
22 savings network account **for higher education** established under ORS 348.841 to 348.873, the  
23 amount of the withdrawal that is attributable to contributions that were subtracted from federal  
24 taxable income under ORS 316.699.

25 **(k) If the taxpayer makes a distribution from an ABLE account that is not a qualified**  
26 **disability expense of the designated beneficiary as provided in sections 1 and 2 of this 2015**  
27 **Act and rules adopted by the Oregon 529 Savings Board, the amount of the distribution that**  
28 **is attributable to contributions that were subtracted from federal taxable income under ORS**  
29 **316.699.**

30 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-  
31 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this  
32 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the  
33 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-  
34 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

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

36 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to:

37 (a) A [college] savings network account **for higher education** established under ORS 348.841  
38 to 348.873; or

39 (b) **An ABLE account established under section 2 of this 2015 Act and rules adopted by**  
40 **the Oregon 529 Savings Board, when the contribution is made before the designated benefi-**  
41 **ciary of the account attains 21 years of age.**

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

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

1 (b) If an amount is carried forward to a succeeding tax year under subsection (4) of this section,  
2 the balance in the [college] savings network account **for higher education or ABLE account** at  
3 the close of the tax year for which the subtraction is being made.

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

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

13 (4) Any amounts contributed to a [college] savings network account **for higher education or**  
14 **an ABLE account** that are not subtracted from federal taxable income because of the monetary  
15 limitations imposed by subsection (2) of this section may be carried forward for four succeeding tax  
16 years and subtracted from federal taxable income in any of those succeeding tax years in an amount  
17 that does not exceed the monetary limitations imposed by subsection (2) of this section.

18 (5) The amount contributed to a [college] savings network account **for higher education or an**  
19 **ABLE account** may be subtracted from a preceding tax year if the contribution is made before the  
20 taxpayer files a return or before the 15th day of the fourth month following the closing of the  
21 taxpayer's tax year, whichever is earlier.

22 **SECTION 6.** ORS 348.849 is amended to read:

23 348.849. (1) There is established the Oregon 529 [College] Savings Board to administer ORS  
24 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act.**

25 (2) The board shall consist of:

26 (a) The State Treasurer or a designee of the State Treasurer;

27 (b) [A member of the State Board of Higher Education, to be selected by the State Board of Higher  
28 Education] **A representative of persons with intellectual disabilities or other developmental**  
29 **disabilities, who shall be appointed by the State Treasurer;**

30 (c) A representative of accredited private colleges and universities located in this state, who  
31 shall be appointed by the State Treasurer; and

32 (d) Two public members, who by reason of their education and experience are qualified to serve,  
33 and who shall be appointed by the State Treasurer.

34 (3) The State Treasurer shall designate the board chairperson from among the members of the  
35 board. The chairperson shall serve at the pleasure of the State Treasurer.

36 (4)[(a) The board member who is a member of the State Board of Higher Education shall serve at  
37 the pleasure of the State Board of Higher Education but may not serve on the board following the end  
38 of the member's term on the State Board of Higher Education.]

39 [(b) The representative of private colleges and universities and the public members of the board  
40 shall] **Members of the board appointed by the State Treasurer** serve at the pleasure of the State  
41 Treasurer for a term of office of three years. [These] Members of the board may be reappointed to  
42 subsequent terms.

43 (5) The State Treasurer [and the Oregon University System] shall provide staff and assistance to  
44 the board in the administration of the Oregon 529 [College] Savings Network, **including the quali-**  
45 **fied ABLE program established under section 2 of this 2015 Act,** as directed by the board.

1 (6) A member of the board is entitled to compensation and expenses as provided in ORS 292.495.

2 (7) A majority of the members of the board constitutes a quorum for the transaction of business.

3 **SECTION 7. (1) The term of the member of the Oregon 529 Savings Board described in**  
4 **ORS 348.849 (2)(b), as in effect immediately before the effective date of this 2015 Act, termi-**  
5 **nates on the effective date of this 2015 Act.**

6 (2) The State Treasurer shall appoint the new member of the Oregon 529 Savings Board  
7 described in ORS 348.849 (2)(b), as in effect on the effective date of this 2015 Act, not later  
8 than January 1, 2016.

9 **SECTION 8.** ORS 348.841, as amended by section 27, chapter 52, Oregon Laws 2014, is amended  
10 to read:

11 348.841. As used in ORS 348.841 to 348.873:

12 (1) "Account" means an individual account established in accordance with ORS 348.841 to  
13 348.873.

14 (2) "Account owner" means the person who has the right to withdraw funds from the account.  
15 The account owner may also be the designated beneficiary of the account.

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

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

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

24 (6) "Higher education institution" means an eligible education institution as defined in section  
25 529(e)(5) of the Internal Revenue Code.

26 (7) "Internal Revenue Code" means the federal Internal Revenue Code as amended and in effect  
27 on [December 31, 2013] **the effective date of this 2015 Act.**

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

30 (9) "Network" means the Oregon 529 [College] Savings Network established under ORS [348.841  
31 to 348.873] **348.844.**

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

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

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

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

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

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

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



1        **SECTION 9.** ORS 348.844 is amended to read:

2        348.844. (1) It is the intent of the Legislative Assembly, in enacting ORS 348.841 to 348.873 **and**  
3 **sections 1 and 2 of this 2015 Act**, to create a [*higher education qualified tuition*] savings program  
4 called the Oregon 529 [*College*] Savings Network[.].

5        **(2) The Oregon 529 Savings Network shall consist of:**

6        **(a) A higher education qualified tuition savings program:**

7        [(1)] **(A)** That increases the ability of families and individuals to save for higher education.

8        [(2)] **(B)** In which the earnings on contributions of network participants are exempt from state  
9 income taxation.

10       [(3)] **(C)** That utilizes the private sector to administer and invest the contributions to the net-  
11 work under the guidance of the Oregon 529 [*College*] Savings Board.

12       [(4)] **(D)** In which the contributions and earnings are held by the network in trust for the benefit  
13 of designated beneficiaries and account owners for the uses and purposes set forth in ORS 348.841  
14 to 348.873, and for no other benefit, use or purpose.

15       **(b) A qualified ABLE program established under section 2 of this 2015 Act, under which**  
16 **individuals with disabilities may establish ABLE accounts to be used for disability-related**  
17 **expenses.**

18       **SECTION 10.** ORS 348.853 is amended to read:

19       348.853. The Oregon 529 [*College*] Savings Board shall have the following powers, duties, and  
20 functions:

21       (1) To establish, develop, implement and maintain the Oregon 529 [*College*] Savings Network in  
22 a manner consistent with ORS 348.841 to 348.873, **sections 1 and 2 of this 2015 Act** and [*section*  
23 *529*] **sections 529 and 529A** of the Internal Revenue Code and to obtain the benefits of [*section*  
24 *529*] **sections 529 and 529A** of the Internal Revenue Code for the network and its participants.

25       (2) To adopt rules for the general administration of the network, to administer ORS 348.841 to  
26 348.873 **and sections 1 and 2 of this 2015 Act** and to ensure the network's compliance with [*section*  
27 *529*] **sections 529 and 529A** of the Internal Revenue Code.

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

34       (4) To make and enter into any and all contracts, agreements or arrangements, and to retain,  
35 employ and contract for the services of private and public financial institutions, depositories, con-  
36 sultants, investment advisors or managers and third-party plan administrators and for research,  
37 technical and other services necessary or desirable for carrying out the purposes of ORS 348.841 to  
38 348.873 **and sections 1 and 2 of this 2015 Act.**

39       (5) To accept donations or receive funds for the purpose of providing scholarships, grants and  
40 other incentives to account owners, potential account owners and their designated beneficiaries or  
41 furthering any of the purposes of ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act.**

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

1       **(7) To adopt rules to establish a qualified ABLE program under section 2 of this 2015 Act**  
2 **and to administer and maintain the program in a manner consistent with sections 1 and 2**  
3 **of this 2015 Act and the ABLE Act.**

4       **SECTION 11.** ORS 348.856 is amended to read:

5       348.856. (1) The Oregon 529 [College] Savings Network Fund is established in the State Treasury,  
6 separate and distinct from the General Fund. Interest earned by the Oregon 529 [College] Savings  
7 Network Fund shall be credited to the fund. All moneys credited to the Oregon 529 [College] Savings  
8 Network Fund are continuously appropriated to the Oregon 529 [College] Savings Board for the  
9 purposes of ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act.**

10       (2) The Oregon 529 [College] Savings Network Fund shall consist of:

11       (a) Moneys appropriated to the fund by the Legislative Assembly;

12       (b) Moneys transferred to the fund from the federal government, other state agencies or local  
13 governments;

14       (c) Moneys from the payment of fees and the payment of other moneys due the board;

15       (d) Any gifts or donations made to the State of Oregon for deposit in the fund; and

16       (e) Earnings on moneys in the fund.

17       (3) The board may use the moneys in the fund to pay the administrative costs and expenses of  
18 the board and the Oregon 529 [College] Savings Network, **including the qualified ABLE program**  
19 **established under section 2 of this 2015 Act**, to provide or make available scholarships, grants  
20 and other incentives to account owners, potential account owners and their designated  
21 beneficiaries, [or] to further any other purpose of ORS 348.841 to 348.873 **or to further any pur-**  
22 **poses of the qualified ABLE program established under section 2 of this 2015 Act.**

23       **SECTION 12.** ORS 348.857 is amended to read:

24       348.857. (1) An account owner may establish an account by making an initial contribution to the  
25 Oregon 529 [College] Savings Network in the name of the designated beneficiary. Once a contribu-  
26 tion is made it becomes part of the network and subject to the provisions of ORS 348.841 to 348.873.

27       (2) Any person may make a contribution to an account once an account is opened.

28       (3) Contributions to an account shall be made only in cash and may be deposited as provided in  
29 ORS 305.796.

30       (4) Total contributions to all accounts established on behalf of a particular beneficiary may not  
31 exceed those reasonably necessary to provide for the qualified higher education expenses of the  
32 designated beneficiary. The Oregon 529 [College] Savings Board shall establish maximum contribu-  
33 tion limits applicable to network accounts and shall require the provision of any information from  
34 the account owner and the designated beneficiary that the board deems necessary to establish these  
35 limits.

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

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

40       **(7) This section applies only to accounts established for qualified higher education ex-**  
41 **penses.**

42       **SECTION 13.** ORS 348.860 is amended to read:

43       348.860. (1) Except as permitted in section 529 of the Internal Revenue Code, no person other  
44 than the Oregon 529 [College] Savings Board or a financial institution in which Oregon 529  
45 [College] Savings Network funds have been invested shall have the right to direct the investment

1 of any contributions to or earnings from the network.

2 (2) The network, the board, each board member and the State of Oregon may not insure any  
3 account or guarantee any rate of return or any interest rate on any contribution. The network, the  
4 board, each board member and the State of Oregon may not be liable for any loss incurred by any  
5 person as a result of participating in the network.

6 (3) The board, in the exercise of its sole discretion and without liability, may remove the  
7 network's funds from any financial institution and reinvest the funds in a similar or different in-  
8 vestment alternative at another financial institution pursuant to a contract, agreement or arrange-  
9 ment entered into under ORS 348.853 (4).

10 (4) **This section applies only to accounts established for qualified higher education ex-**  
11 **penses.**

12 **SECTION 14.** ORS 348.863 is amended to read:

13 348.863. (1) An account and any interest in an account may not be assignable or pledged or  
14 otherwise used to secure or obtain a loan or other advancement.

15 (2) The right of a designated beneficiary to the payment of qualified higher education expenses  
16 or of an account owner to a withdrawal, payments and withdrawals made in exercise of those rights  
17 and moneys or property held within an account shall be exempt from garnishment and may not be  
18 subject to execution, attachment or any other process or to the operation of any bankruptcy or  
19 insolvency law.

20 (3) A refund of a qualified educational expense payment may not be paid by a higher education  
21 institution directly to the designated beneficiary or to the account owner. Any refund of qualified  
22 tuition expenses owed by a higher education institution on account of an overpayment of educa-  
23 tional expenses must be refunded to the Oregon 529 [College] Savings Network for credit to an ac-  
24 count of the designated beneficiary.

25 (4) A qualified withdrawal that is used to pay for qualified higher education expenses must be  
26 paid as prescribed by section 529 of the Internal Revenue Code and rules adopted by the Oregon  
27 529 [College] Savings Board.

28 (5) **This section applies only to accounts established for qualified higher education ex-**  
29 **penses.**

30 **SECTION 15.** ORS 348.867 is amended to read:

31 348.867. (1) An account owner shall have the right at any time to change the designated bene-  
32 ficiary of an account to another individual who is a member of the family of the former designated  
33 beneficiary.

34 (2) An account owner shall have the right at any time to direct that all or a portion of an ac-  
35 count be transferred to the account of another designated beneficiary who is a member of the family  
36 of the former designated beneficiary.

37 (3) The right to change the designated beneficiary or to transfer between accounts contained in  
38 subsections (1) and (2) of this section may be denied if, under rules adopted by the Oregon 529  
39 [College] Savings Board, the exercise of the right would result in either excess contributions to an  
40 account or the exercise of impermissible investment direction by the account owner.

41 (4) Individual account information, including but not limited to names, addresses, telephone  
42 numbers, personal identification information, amounts contributed and earnings on amounts con-  
43 tributed, is confidential and must be maintained as confidential:

44 (a) Except to the extent necessary to administer the Oregon 529 [College] Savings Network in  
45 a manner consistent with ORS 348.841 to 348.873, Oregon tax laws and the Internal Revenue Code;

1 or

2 (b) Unless the person who provides the information or is the subject of the information expressly  
3 agrees in writing that the information may be disclosed.

4 **(5) This section applies only to accounts established for qualified higher education ex-**  
5 **penses.**

6 **SECTION 16.** ORS 348.869 is amended to read:

7 348.869. The State of Oregon has no proprietary interest in the contributions or earnings of the  
8 Oregon 529 [College] Savings Network. Except as otherwise provided by law, the Oregon 529  
9 [College] Savings Board is the trustee of the contributions and earnings.

10 **SECTION 17.** ORS 348.870 is amended to read:

11 348.870. (1) Withdrawal from an account may be made as prescribed by the rules adopted by the  
12 Oregon 529 [College] Savings Board.

13 (2) A financial institution shall report an account withdrawal during any calendar year to the  
14 account owner and the federal Internal Revenue Service. The report shall be made at the time and  
15 contain such information as required by law.

16 **(3) This section applies only to accounts established for qualified higher education ex-**  
17 **penses.**

18 **SECTION 18.** ORS 348.873 is amended to read:

19 348.873. The Oregon 529 [College] Savings Board shall publish an annual report to the Governor  
20 and the Legislative Assembly detailing the board's activities **under ORS 348.841 to 348.873 and**  
21 **sections 1 and 2 of this 2015 Act.** The board shall submit the report to the Governor and the  
22 Legislative Assembly on or before March 15 of each year.

23 **SECTION 19.** ORS 279A.025 is amended to read:

24 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting  
25 Code applies to all public contracting.

26 (2) The Public Contracting Code does not apply to:

27 (a) Contracts between a contracting agency and:

28 (A) Another contracting agency;

29 (B) The Oregon Health and Science University;

30 (C) A public university listed in ORS 352.002;

31 (D) The Oregon State Bar;

32 (E) A governmental body of another state;

33 (F) The federal government;

34 (G) An American Indian tribe or an agency of an American Indian tribe;

35 (H) A nation, or a governmental body in a nation, other than the United States; or

36 (I) An intergovernmental entity formed between or among:

37 (i) Governmental bodies of this or another state;

38 (ii) The federal government;

39 (iii) An American Indian tribe or an agency of an American Indian tribe;

40 (iv) A nation other than the United States; or

41 (v) A governmental body in a nation other than the United States;

42 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or  
43 other authority for establishing agreements between or among governmental bodies or agencies or  
44 tribal governing bodies or agencies;

45 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and

- 1 414.145 for purposes of source selection;
- 2 (d) Grants;
- 3 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony  
4 relating to existing or potential litigation or legal matters in which a public body is or may become  
5 interested;
- 6 (f) Acquisitions or disposals of real property or interest in real property;
- 7 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
8 lection;
- 9 (h) Contracts for the procurement or distribution of textbooks;
- 10 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- 11 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,  
12 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;
- 13 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private  
14 counsel or special legal assistants;
- 15 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry  
16 and the State Forestry Department;
- 17 (m) Contracts for forest protection or forest related activities, as described in ORS 477.406, by  
18 the State Forester or the State Board of Forestry;
- 19 (n) Contracts entered into by the Housing and Community Services Department in exercising the  
20 department's duties prescribed in ORS chapters 456 and 458, except that the department's public  
21 contracting for goods and services is subject to ORS chapter 279B;
- 22 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-  
23 scribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to invest-  
24 ment contracts and agreements, banking services, clearing house services and collateralization  
25 agreements, bond documents, certificates of participation and other debt repayment agreements, and  
26 any associated contracts, agreements and documents, regardless of whether the obligations that the  
27 contracts, agreements or documents establish are general, special or limited, except that the State  
28 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;
- 29 (p) Contracts, agreements or other documents entered into, issued or established in connection  
30 with:
- 31 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;
- 32 (B) The making of program loans and similar extensions or advances of funds, aid or assistance  
33 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining  
34 activities or programs authorized by law; or
- 35 (C) The investment of funds by a public body as authorized by law, and other financial trans-  
36 actions of a public body that by their character cannot practically be established under the com-  
37 petitive contractor selection procedures of ORS 279B.050 to 279B.085;
- 38 (q) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
39 243.275, 243.291, 243.303 and 243.565;
- 40 (r) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or
- 41 (s) Any other public contracting of a public body specifically exempted from the code by another  
42 provision of law.
- 43 (3) The Public Contracting Code does not apply to the contracting activities of:
- 44 (a) The Oregon State Lottery Commission;
- 45 (b) The legislative department;

1 (c) The judicial department;

2 (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to  
3 279.855 and 279A.250 to 279A.290;

4 (e) Oregon Corrections Enterprises;

5 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
6 279A.290;

7 (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

8 (h) The Oregon 529 [College] Savings Network and the Oregon 529 [College] Savings Board;

9 (i) The Oregon Innovation Council;

10 (j) The Oregon Utility Notification Center; or

11 (k) Any other public body specifically exempted from the code by another provision of law.

12 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
13 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-  
14 der ORS 279.835 to 279.855.

15 **SECTION 20.** ORS 458.685 is amended to read:

16 458.685. (1) A person may establish an individual development account only for a purpose ap-  
17 proved by a fiduciary organization. Purposes that the fiduciary organization may approve are:

18 (a) The acquisition of post-secondary education or job training.

19 (b) If the account holder has established the account for the benefit of a household member who  
20 is under the age of 18 years, the payment of extracurricular nontuition expenses designed to prepare  
21 the member for post-secondary education or job training.

22 (c) If the account holder has established a [college] savings network account **for higher edu-**  
23 **cation** under ORS 348.841 to 348.873 on behalf of a designated beneficiary, the establishment of an  
24 additional [college] savings network account **for higher education** on behalf of the same designated  
25 beneficiary.

26 (d) The purchase of a primary residence. In addition to payment on the purchase price of the  
27 residence, account moneys may be used to pay any usual or reasonable settlement, financing or  
28 other closing costs. The account holder must not have owned or held any interest in a residence  
29 during the three years prior to making the purchase. However, this three-year period shall not apply  
30 to displaced homemakers or other individuals who have lost home ownership as a result of divorce.

31 (e) The capitalization of a small business. Account moneys may be used for capital, plant,  
32 equipment and inventory expenses or for working capital pursuant to a business plan. The business  
33 plan must have been developed by a financial institution, nonprofit microenterprise program or other  
34 qualified agent demonstrating business expertise and have been approved by the fiduciary organ-  
35 ization. The business plan must include a description of the services or goods to be sold, a marketing  
36 plan and projected financial statements.

37 (f) Improvements, repairs or modifications necessary to make or keep the account holder's pri-  
38 mary dwelling habitable, accessible or visitable for the account holder or a household member. This  
39 paragraph does not apply to improvements, repairs or modifications made to a rented primary  
40 dwelling to achieve or maintain a habitable condition for which ORS 90.320 (1) places responsibility  
41 on the landlord. As used in this paragraph, "accessible" and "visitable" have the meanings given  
42 those terms in ORS 456.508.

43 (g) The purchase of equipment, technology or specialized training required to become compet-  
44 itive in obtaining or maintaining employment or to start or maintain a business, as specified in the  
45 account holder's personal development plan for increasing the independence of the person.

1 (2)(a) If an emergency occurs, an account holder may withdraw all or part of the account  
2 holder's deposits to an individual development account for a purpose not described in subsection (1)  
3 of this section. As used in this paragraph, an emergency includes making payments for necessary  
4 medical expenses, to avoid eviction of the account holder from the account holder's residence and  
5 for necessary living expenses following a loss of employment.

6 (b) The account holder must reimburse the account for the amount withdrawn under this sub-  
7 section within 12 months after the date of the withdrawal. Failure of an account holder to make a  
8 timely reimbursement to the account is grounds for removing the account holder from the individual  
9 development account program. Until the reimbursement has been made in full, an account holder  
10 may not withdraw any matching deposits or accrued interest on matching deposits from the account.

11 (3) If an account holder withdraws moneys from an individual development account for other  
12 than an approved purpose, the fiduciary organization may remove the account holder from the pro-  
13 gram.

14 (4) If an account holder moves from the area where the program is conducted or is otherwise  
15 unable to continue in the program, the fiduciary organization may remove the account holder from  
16 the program.

17 (5) If an account holder is removed from the program under subsection (2), (3) or (4) of this  
18 section, all matching deposits in the account and all interest earned on matching deposits shall re-  
19 vert to the fiduciary organization. The fiduciary organization shall use the reverted funds as a  
20 source of matching deposits for other accounts.

21 **SECTION 21.** ORS 458.690 is amended to read:

22 458.690. (1) Notwithstanding ORS 315.271, a fiduciary organization selected under ORS 458.695  
23 may qualify as the recipient of account contributions that qualify the contributor for a tax credit  
24 under ORS 315.271 only if the fiduciary organization structures the accounts to have the following  
25 features:

26 (a) The fiduciary organization matches amounts deposited by the account holder according to a  
27 formula established by the fiduciary organization. The fiduciary organization shall maintain on de-  
28 posit in the account not less than \$1 nor more than \$5 for each \$1 deposited by the account holder.

29 (b) The matching deposits by the fiduciary organization to the individual development account  
30 are placed in:

31 (A) A savings account jointly held by the account holder and the fiduciary organization and  
32 requiring the signatures of both for withdrawals;

33 (B) A savings account that is controlled by the fiduciary organization and is separate from the  
34 savings account of the account holder; or

35 (C) In the case of an account established for the purpose described in ORS 458.685 (1)(c), a  
36 [college] savings network account **for higher education** under ORS 348.841 to 348.873, in which the  
37 fiduciary organization is the account owner as defined in ORS 348.841.

38 (2) Account holders may not accrue more than \$3,000 of matching funds under subsection (1) of  
39 this section from state-directed moneys in any 12-month period. A fiduciary organization may desig-  
40 nate a lower amount as a limit on annual matching funds. A fiduciary organization shall maintain  
41 on deposit sufficient funds to cover the matching deposit agreements for all individual development  
42 accounts managed by the organization.

43 (3) The Housing and Community Services Department shall adopt rules to establish a maximum  
44 total amount of state-directed moneys that may be deposited as matching funds into an individual  
45 development account.

1        **SECTION 22.** ORS 458.700 is amended to read:

2        458.700. (1) Subject to Housing and Community Services Department rules, a fiduciary organ-  
3        ization has sole authority over, and responsibility for, the administration of individual development  
4        accounts. The responsibility of the fiduciary organization extends to all aspects of the account pro-  
5        gram, including marketing to participants, soliciting matching contributions, counseling account  
6        holders, providing financial literacy education, and conducting required verification and compliances  
7        activities. The fiduciary organization may establish program provisions as the organization believes  
8        necessary to ensure account holder compliance with the provisions of ORS 458.680 and 458.685.  
9        Notwithstanding ORS 458.670 (5) and 458.680 (2), a fiduciary organization may establish income and  
10       net worth limitations for account holders that are lower than the income and net worth limitations  
11       established by ORS 458.670 (5) and 458.680 (2).

12       (2) A fiduciary organization may act in partnership with other entities, including businesses,  
13       government agencies, nonprofit organizations, community development corporations, community  
14       action programs, housing authorities and congregations to assist in the fulfillment of fiduciary or-  
15       ganization responsibilities under this section and ORS 458.685, 458.690 and 458.695.

16       (3) A fiduciary organization may use a reasonable portion of moneys allocated to the individual  
17       development account program for administration, operation and evaluation purposes.

18       (4) A fiduciary organization selected to administer moneys directed by the state to individual  
19       development account purposes or receiving tax deductible contributions shall provide the Housing  
20       and Community Services Department with an annual report of the fiduciary organization's individual  
21       development account program activity. The report shall be filed no later than 90 days after the end  
22       of the fiscal year of the fiduciary organization. The report shall include, but is not limited to:

- 23       (a) The number of individual development accounts administered by the fiduciary organization;
- 24       (b) The amount of deposits and matching deposits for each account;
- 25       (c) The purpose of each account;
- 26       (d) The number of withdrawals made; and
- 27       (e) Any other information the department may require for the purpose of making a return on

28       investment analysis.

29       (5) A fiduciary organization that is the account owner of a [college] savings network account **for**  
30       **higher education under ORS 348.841 to 348.873:**

31       (a) May make a qualified withdrawal only at the direction of the designated beneficiary and only  
32       after the [college] savings network account of the account holder that was established for the des-  
33       ignated beneficiary has been reduced to a balance of zero exclusively through qualified withdrawals  
34       by the designated beneficiary; and

35       (b) May make nonqualified withdrawals only if the [college] savings network account of the ac-  
36       count holder that was established for the designated beneficiary has a balance of less than \$100 or  
37       if the account holder or designated beneficiary has granted permission to make the withdrawal.  
38       Moneys received by a fiduciary organization from a nonqualified withdrawal made under this para-  
39       graph must be used for individual development account purposes.

40       (6) The department may make all reasonable and necessary rules to ensure fiduciary organiza-  
41       tion compliance with this section and ORS 458.685, 458.690 and 458.695.

42       **SECTION 23.** ORS 458.700, as amended by section 10, chapter 765, Oregon Laws 2007, is  
43       amended to read:

44       458.700. (1) Subject to Housing and Community Services Department rules, a fiduciary organ-  
45       ization has sole authority over, and responsibility for, the administration of individual development



1 accounts. The responsibility of the fiduciary organization extends to all aspects of the account pro-  
2 gram, including marketing to participants, soliciting matching contributions, counseling account  
3 holders, providing financial literacy education, and conducting required verification and compliances  
4 activities. The fiduciary organization may establish program provisions as the organization believes  
5 necessary to ensure account holder compliance with the provisions of ORS 458.680 and 458.685.  
6 Notwithstanding ORS 458.670 (5) and 458.680 (2), a fiduciary organization may establish income and  
7 net worth limitations for account holders that are lower than the income and net worth limitations  
8 established by ORS 458.670 (5) and 458.680 (2).

9 (2) A fiduciary organization may act in partnership with other entities, including businesses,  
10 government agencies, nonprofit organizations, community development corporations, community  
11 action programs, housing authorities and congregations to assist in the fulfillment of fiduciary or-  
12 ganization responsibilities under this section and ORS 458.685 and 458.695.

13 (3) A fiduciary organization may use a reasonable portion of moneys allocated to the individual  
14 development account program for administration, operation and evaluation purposes.

15 (4) A fiduciary organization selected to administer moneys directed by the state to individual  
16 development account purposes or receiving tax deductible contributions shall provide the Housing  
17 and Community Services Department with an annual report of the fiduciary organization's individual  
18 development account program activity. The report shall be filed no later than 90 days after the end  
19 of the fiscal year of the fiduciary organization. The report shall include, but is not limited to:

20 (a) The number of individual development accounts administered by the fiduciary organization;

21 (b) The amount of deposits and matching deposits for each account;

22 (c) The purpose of each account;

23 (d) The number of withdrawals made; and

24 (e) Any other information the department may require for the purpose of making a return on  
25 investment analysis.

26 (5) A fiduciary organization that is the account owner of a [*college*] savings network account **for**  
27 **higher education under ORS 348.841 to 348.873:**

28 (a) May make a qualified withdrawal only at the direction of the designated beneficiary and only  
29 after the [*college*] savings network account of the account holder that was established for the des-  
30 ignated beneficiary has been reduced to a balance of zero exclusively through qualified withdrawals  
31 by the designated beneficiary; and

32 (b) May make nonqualified withdrawals only if the [*college*] savings network account of the ac-  
33 count holder that was established for the designated beneficiary has a balance of less than \$100 or  
34 if the account holder or designated beneficiary has granted permission to make the withdrawal.  
35 Moneys received by a fiduciary organization from a nonqualified withdrawal made under this para-  
36 graph must be used for individual development account purposes.

37 (6) The department may make all reasonable and necessary rules to ensure fiduciary organiza-  
38 tion compliance with this section and ORS 458.685 and 458.695.

39 **SECTION 24. Notwithstanding any other law limiting expenditures, the limitation on**  
40 **expenditures established by section 1 (2), chapter \_\_, Oregon Laws 2015 (Enrolled House Bill**  
41 **5041), for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses**  
42 **from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery**  
43 **funds and federal funds, collected or received by the State Treasurer, is increased by \$896,391**  
44 **for the purpose of carrying out the provisions of sections 1 and 2 of this 2015 Act.**

45 **SECTION 25. (1) The amendments to ORS 348.849 by section 6 of this 2015 Act are in-**

1 tended to change the name of the Oregon 529 College Savings Board to the Oregon 529  
2 Savings Board.

3 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel  
4 may substitute for words designating the Oregon 529 College Savings Board, wherever they  
5 occur in statutory law, other words designating the Oregon 529 Savings Board.

6 **SECTION 26.** (1) The amendments to ORS 348.844 by section 9 of this 2015 Act are in-  
7 tended to change the name of the Oregon 529 College Savings Network to the Oregon 529  
8 Savings Network.

9 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel  
10 may substitute for words designating the Oregon 529 College Savings Network, wherever they  
11 occur in statutory law, other words designating the Oregon 529 Savings Network.

12 **SECTION 27.** (1) The amendments to ORS 348.856 by section 11 of this 2015 Act are in-  
13 tended to change the name of the Oregon 529 College Savings Network Fund to the Oregon  
14 529 Savings Network Fund.

15 (2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel  
16 may substitute for words designating the Oregon 529 College Savings Network Fund, wher-  
17 ever they occur in statutory law, other words designating the Oregon 529 Savings Network  
18 Fund.

19 **SECTION 28.** Sections 1 and 2 of this 2015 Act and the amendments to ORS 316.680 and  
20 316.699 by sections 3 to 5 of this 2015 Act apply to distributions from and contributions to  
21 ABLE accounts for tax years beginning on or after January 1, 2015.

22 **SECTION 29.** This 2015 Act takes effect on the 91st day after the date on which the 2015  
23 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.  
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