

**PROPOSED AMENDMENTS TO  
SENATE BILL 777**

1 On page 1 of the printed bill, delete line 3 and insert “279A.025, 316.680,  
2 316.699, 348.841, 348.844, 348.849, 348.853, 348.856, 348.857, 348.860, 348.863,  
3 348.867, 348.869, 348.870, 348.873 458.685, 458.690 and 458.700; and prescribing  
4 an effective date.”.

5 Delete lines 5 through 29 and delete pages 2 through 7 and insert:

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**  
8 **individual, owned by the eligible individual and maintained under the**  
9 **qualified ABLE program established by the Oregon 529 Savings Board**  
10 **under section 2 of this 2015 Act.**

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

13 **“(3) ‘Designated beneficiary’ has the same meaning as contained in**  
14 **section 529A of the Internal Revenue Code.**

15 **“(4) ‘Eligible individual’ has the same meaning as contained in**  
16 **section 529A of the Internal Revenue Code.**

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

19 **“(6) ‘Qualified disability expense’ has the same meaning as con-**  
20 **tained in section 529A of the Internal Revenue Code.**

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

1 requirements of the ABLÉ Act.

2 “(2) The rules must:

3 “(a) Allow a person to make contributions for a taxable year to an  
4 ABLÉ account established for the purpose of meeting the qualified  
5 disability expenses of the designated beneficiary of the account;

6 “(b) Limit a designated beneficiary to one ABLÉ account for pur-  
7 poses of this section;

8 “(c) Require cash-only contributions to ABLÉ accounts;

9 “(d) Provide for a separate accounting for each designated benefi-  
10 ciary of an ABLÉ account;

11 “(e) Provide that a designated beneficiary of an ABLÉ account may  
12 not, directly or indirectly, direct the investment of contributions to  
13 the account, or earnings on the account, more than two times in any  
14 calendar year;

15 “(f) Prohibit the use of a designated beneficiary’s interest in an  
16 ABLÉ account as security for a loan;

17 “(g) Establish limitations on aggregate contributions to an ABLÉ  
18 account on behalf of a designated beneficiary; and

19 “(h) Satisfy all other requirements of section 529A of the Internal  
20 Revenue Code, the ABLÉ Act, rules adopted by the United States  
21 Secretary of the Treasury under the ABLÉ Act and other applicable  
22 federal law.

23 “SECTION 3. ORS 316.680 is amended to read:

24 “316.680. (1) There shall be subtracted from federal taxable income:

25 “(a) The interest or dividends on obligations of the United States and its  
26 territories and possessions or of any authority, commission or  
27 instrumentality of the United States to the extent includable in gross income  
28 for federal income tax purposes but exempt from state income taxes under  
29 the laws of the United States. However, the amount subtracted under this  
30 paragraph shall be reduced by any interest on indebtedness incurred to carry

1 the obligations or securities described in this paragraph, and by any expenses  
2 incurred in the production of interest or dividend income described in this  
3 paragraph to the extent that such expenses, including amortizable bond pre-  
4 miums, are deductible in determining federal taxable income.

5 “(b) The amount of any federal income taxes accrued by the taxpayer  
6 during the taxable year as described in ORS 316.685, less the amount of any  
7 refunds of federal taxes previously accrued for which a tax benefit was re-  
8 ceived.

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

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

15 “(e)(A) Federal pension income that is attributable to federal employment  
16 occurring before October 1, 1991. Federal pension income that is attributable  
17 to federal employment occurring before October 1, 1991, shall be determined  
18 by multiplying the total amount of federal pension income for the tax year  
19 by the ratio of the number of months of federal creditable service occurring  
20 before October 1, 1991, over the total number of months of federal creditable  
21 service.

22 “(B) The subtraction allowed under this paragraph applies only to federal  
23 pension income received at a time when:

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

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

28 “(C) As used in this paragraph:

29 “(i) ‘Federal creditable service’ means those periods of time for which a  
30 federal employee earned a federal pension.

1 “(ii) ‘Federal pension’ means any form of retirement allowance provided  
2 by the federal government, its agencies or its instrumentalities to retirees  
3 of the federal government or their beneficiaries.

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

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

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

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

16 “(h) If included in taxable income for federal tax purposes, the amount  
17 withdrawn during the tax year in qualified withdrawals from a [*college*]  
18 savings network account **for higher education** established under ORS  
19 348.841 to 348.873.

20 “(i) **If included in taxable income for federal tax purposes, any dis-**  
21 **tributions from an ABLE account that do not exceed the qualified**  
22 **disability expenses of the designated beneficiary as provided in sections**  
23 **1 and 2 of this 2015 Act and rules adopted by the Oregon 529 Savings**  
24 **Board.**

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

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

1 production of interest or dividend income described in this paragraph.

2 “(b) Interest or dividends on obligations of any authority, commission,  
3 instrumentality and territorial possession of the United States that by the  
4 laws of the United States are exempt from federal income tax but not from  
5 state income taxes. However, the amount added under this paragraph shall  
6 be reduced by any interest on indebtedness incurred to carry the obligations  
7 or securities described in this paragraph and by any expenses incurred in the  
8 production of interest or dividend income described in this paragraph.

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

11 “(d) The amount of any allowance for depletion in excess of the taxpayer’s  
12 adjusted basis in the property depleted, deducted on the taxpayer’s federal  
13 income tax return for the taxable year, pursuant to sections 613, 613A, 614,  
14 616 and 617 of the Internal Revenue Code.

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

18 “(f) The amount taken as a deduction on the taxpayer’s federal return for  
19 unused qualified business credits under section 196 of the Internal Revenue  
20 Code.

21 “(g) The amount of any increased benefits paid to a taxpayer under  
22 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon  
23 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not  
24 includable in the taxpayer’s federal taxable income under the Internal Rev-  
25 enue Code.

26 “(h) The amount of any long term care insurance premiums paid or in-  
27 curred by the taxpayer during the tax year if:

28 “(A) The amount is taken into account as a deduction on the taxpayer’s  
29 federal return for the tax year; and

30 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax

1 year.

2 “(i) Any amount taken as a deduction under section 1341 of the Internal  
3 Revenue Code in computing federal taxable income for the tax year, if the  
4 taxpayer has claimed a credit for claim of right income repayment adjust-  
5 ment under ORS 315.068.

6 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS  
7 348.841, from a [college] savings network account **for higher education** es-  
8 tablished under ORS 348.841 to 348.873, the amount of the withdrawal that  
9 is attributable to contributions that were subtracted from federal taxable  
10 income under ORS 316.699.

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

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

24 **“SECTION 4.** ORS 316.680, as amended by section 74, chapter 1, Oregon  
25 Laws 2015, is amended 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  
28 territories and possessions or of any authority, commission or  
29 instrumentality of the United States to the extent includable in gross income  
30 for federal income tax purposes but exempt from state income taxes under

1 the laws of the United States. However, the amount subtracted under this  
2 paragraph shall be reduced by any interest on indebtedness incurred to carry  
3 the obligations or securities described in this paragraph, and by any expenses  
4 incurred in the production of interest or dividend income described in this  
5 paragraph to the extent that such expenses, including amortizable bond pre-  
6 miums, are deductible in determining federal taxable income.

7 “(b) The amount of any federal income taxes accrued by the taxpayer  
8 during the taxable year as described in ORS 316.685, less the amount of any  
9 refunds of federal taxes previously accrued for which a tax benefit was re-  
10 ceived.

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

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

17 “(e)(A) Federal pension income that is attributable to federal employment  
18 occurring before October 1, 1991. Federal pension income that is attributable  
19 to federal employment occurring before October 1, 1991, shall be determined  
20 by multiplying the total amount of federal pension income for the tax year  
21 by the ratio of the number of months of federal creditable service occurring  
22 before October 1, 1991, over the total number of months of federal creditable  
23 service.

24 “(B) The subtraction allowed under this paragraph applies only to federal  
25 pension income received at a time when:

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

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

30 “(C) As used in this paragraph:

1 “(i) ‘Federal creditable service’ means those periods of time for which a  
2 federal employee earned a federal pension.

3 “(ii) ‘Federal pension’ means any form of retirement allowance provided  
4 by the federal government, its agencies or its instrumentalities to retirees  
5 of the federal government or their beneficiaries.

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

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

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

14 “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial  
15 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has  
16 not taken the amount as a deduction in determining the taxpayer’s federal  
17 taxable income for the tax year.

18 “(h) If included in taxable income for federal tax purposes, the amount  
19 withdrawn during the tax year in qualified withdrawals from a [college]  
20 savings network account **for higher education** established under ORS  
21 348.841 to 348.873.

22 “(i) For income tax years commencing on or after January 1, 2015, the  
23 amount of any deductions or credits that the taxpayer would have been al-  
24 lowed but for the provisions of section 280E of the Internal Revenue Code.

25 “**(j) If included in taxable income for federal tax purposes, any dis-**  
26 **tributions from an ABLE account that do not exceed the qualified**  
27 **disability expenses of the designated beneficiary as provided in sections**  
28 **1 and 2 of this 2015 Act and rules adopted by the Oregon 529 Savings**  
29 **Board.**

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



1       “(a) Interest or dividends, exempt from federal income tax, on obligations  
2 or securities of any foreign state or of a political subdivision or authority  
3 of any foreign state. However, the amount added under this paragraph shall  
4 be reduced by any interest on indebtedness incurred to carry the obligations  
5 or securities described in this paragraph and by any expenses incurred in the  
6 production of interest or dividend income described in this paragraph.

7       “(b) Interest or dividends on obligations of any authority, commission,  
8 instrumentality and territorial possession of the United States that by the  
9 laws of the United States are exempt from federal income tax but not from  
10 state income taxes. However, the amount added under this paragraph shall  
11 be reduced by any interest on indebtedness incurred to carry the obligations  
12 or securities described in this paragraph and by any expenses incurred in the  
13 production of interest or dividend income described in this paragraph.

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

16       “(d) The amount of any allowance for depletion in excess of the taxpayer’s  
17 adjusted basis in the property depleted, deducted on the taxpayer’s federal  
18 income tax return for the taxable year, pursuant to sections 613, 613A, 614,  
19 616 and 617 of the Internal Revenue Code.

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

23       “(f) The amount taken as a deduction on the taxpayer’s federal return for  
24 unused qualified business credits under section 196 of the Internal Revenue  
25 Code.

26       “(g) The amount of any increased benefits paid to a taxpayer under  
27 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon  
28 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not  
29 includable in the taxpayer’s federal taxable income under the Internal Rev-  
30 enue Code.

1 “(h) The amount of any long term care insurance premiums paid or in-  
2 curred by the taxpayer during the tax year if:

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

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

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

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

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

22 “(3) Discount and gain or loss on retirement or disposition of obligations  
23 described under subsection (2)(a) of this section issued on or after January  
24 1, 1985, shall be treated for purposes of this chapter in the same manner as  
25 under sections 1271 to 1283 and other pertinent sections of the Internal  
26 Revenue Code as if the obligations, although issued by a foreign state or a  
27 political subdivision of a foreign state, were not tax exempt under the  
28 Internal Revenue Code.

29 “**SECTION 5.** ORS 316.699 is amended to read:

30 “316.699. (1) There shall be subtracted from federal taxable income the

1 amount contributed to:

2 “(a) A [*college*] savings network account **for higher education** estab-  
3 lished under ORS 348.841 to 348.873; **or**

4 “(b) **An ABLE account established under section 2 of this 2015 Act**  
5 **and rules adopted by the Oregon 529 Savings Board.**

6 “(2) Notwithstanding subsection (1) of this section, a subtraction under  
7 this section may not exceed the lesser of:

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

10 “(b) If an amount is carried forward to a succeeding tax year under sub-  
11 section (4) of this section, the balance in the [*college*] savings network ac-  
12 count **for higher education or ABLE account** at the close of the tax year  
13 for which the subtraction is being made.

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

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

26 “(4) Any amounts contributed to a [*college*] savings network account **for**  
27 **higher education or an ABLE account** that are not subtracted from fed-  
28 eral taxable income because of the monetary limitations imposed by sub-  
29 section (2) of this section may be carried forward for four succeeding tax  
30 years and subtracted from federal taxable income in any of those succeeding

1 tax years in an amount that does not exceed the monetary limitations im-  
2 posed by subsection (2) of this section.

3 “(5) The amount contributed to a [*college*] savings network account **for**  
4 **higher education or an ABLE account** may be subtracted from a preced-  
5 ing tax year if the contribution is made before the taxpayer files a return  
6 or before the 15th day of the fourth month following the closing of the  
7 taxpayer’s tax year, whichever is earlier.

8 **“SECTION 6.** ORS 348.849 is amended to read:

9 “348.849. (1) There is established the Oregon 529 [*College*] Savings Board  
10 to administer ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015**  
11 **Act.**

12 “(2) The board shall consist of:

13 “(a) The State Treasurer or a designee of the State Treasurer;

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

18 “(c) A representative of accredited private colleges and universities lo-  
19 cated in this state, who shall be appointed by the State Treasurer; and

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

22 “(3) The State Treasurer shall designate the board chairperson from  
23 among the members of the board. The chairperson shall serve at the pleasure  
24 of the State Treasurer.

25 “(4)[*(a) The board member who is a member of the State Board of Higher*  
26 *Education shall serve at the pleasure of the State Board of Higher Education*  
27 *but may not serve on the board following the end of the member’s term on the*  
28 *State Board of Higher Education.*]

29 “[*(b) The representative of private colleges and universities and the public*  
30 *members of the board shall*] **Members of the board appointed by the State**

1 **Treasurer** serve at the pleasure of the State Treasurer for a term of office  
2 of three years. [*These*] Members of the board may be reappointed to subse-  
3 quent terms.

4 “(5) The State Treasurer [*and the Oregon University System*] shall provide  
5 staff and assistance to the board in the administration of the Oregon 529  
6 [*College*] Savings Network, **including the qualified ABLÉ program es-**  
7 **tablihed under section 2 of this 2015 Act**, as directed by the board.

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

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

12 **“SECTION 7. (1) The term of the member of the Oregon 529 Savings**  
13 **Board described in ORS 348.849 (2)(b), as in effect immediately before**  
14 **the effective date of this 2015 Act, terminates on the effective date of**  
15 **this 2015 Act.**

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

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

21 “348.841. As used in ORS 348.841 to 348.873:

22 “(1) ‘Account’ means an individual account established in accordance with  
23 ORS 348.841 to 348.873.

24 “(2) ‘Account owner’ means the person who has the right to withdraw  
25 funds from the account. The account owner may also be the designated ben-  
26 eficiary of the account.

27 “(3) ‘Board’ means the Oregon 529 [*College*] Savings Board established  
28 under ORS 348.849.

29 “(4) ‘Designated beneficiary’ means, except as provided in ORS 348.867,  
30 the individual designated at the time the account is opened as having the

1 right to receive a qualified withdrawal for the payment of qualified higher  
2 education expenses, or if the designated beneficiary is replaced in accordance  
3 with ORS 348.867, the replacement.

4 “(5) ‘Financial institution’ means a bank, a commercial bank, a national  
5 bank, a savings bank, a savings and loan, a thrift institution, a credit union,  
6 an insurance company, a trust company, a mutual fund, an investment firm  
7 or other similar entity authorized to do business in this state.

8 “(6) ‘Higher education institution’ means an eligible education institution  
9 as defined in section 529(e)(5) of the Internal Revenue Code.

10 “(7) ‘Internal Revenue Code’ means the federal Internal Revenue Code as  
11 amended and in effect on [*December 31, 2013*] **the effective date of this 2015**  
12 **Act.**

13 “(8) ‘Member of the family’ shall have the same meaning as contained in  
14 section 529(e) of the Internal Revenue Code.

15 “(9) ‘Network’ means the Oregon 529 [*College*] Savings Network estab-  
16 lished under ORS [*348.841 to 348.873*] **348.844.**

17 “(10) ‘Nonqualified withdrawal’ means a withdrawal from an account that  
18 is not a qualified withdrawal.

19 “(11) ‘Qualified higher education expenses’ means tuition and other per-  
20 mitted expenses as set forth in section 529(e) of the Internal Revenue Code  
21 for the enrollment or attendance of a designated beneficiary at a higher ed-  
22 ucation institution.

23 “(12) ‘Qualified withdrawal’ means a withdrawal made as prescribed under  
24 ORS 348.870 and made:

25 “(a) From an account to pay the qualified higher education expenses of  
26 the designated beneficiary;

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

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

1 scholarship, allowance or payment; or

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

4 **“SECTION 9.** ORS 348.844 is amended to read:

5 “348.844. (1) It is the intent of the Legislative Assembly, in enacting ORS  
6 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act**, to create a [*higher*  
7 *education qualified tuition*] savings program called the Oregon 529 [*College*]  
8 Savings Network[.].

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

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

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

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

15 “[*(3)*] (C) That utilizes the private sector to administer and invest the  
16 contributions to the network under the guidance of the Oregon 529  
17 [*College*] Savings Board.

18 “[*(4)*] (D) In which the contributions and earnings are held by the net-  
19 work in trust for the benefit of designated beneficiaries and account owners  
20 for the uses and purposes set forth in ORS 348.841 to 348.873, and for no  
21 other benefit, use or purpose[.]; **and**

22 **“(b) A qualified ABLE program established under section 2 of this**  
23 **2015 Act, under which individuals with disabilities may establish ABLE**  
24 **accounts to be used for disability-related expenses.**

25 **“SECTION 10.** ORS 348.853 is amended to read:

26 “348.853. The Oregon 529 [*College*] Savings Board shall have the following  
27 powers, duties, and functions:

28 “(1) To establish, develop, implement and maintain the Oregon 529 [*Col-*  
29 *lege*] Savings Network in a manner consistent with ORS 348.841 to 348.873,  
30 **sections 1 and 2 of this 2015 Act** and [*section 529*] **sections 529 and 529A**

1 of the Internal Revenue Code and to obtain the benefits of [*section 529*]  
2 **sections 529 and 529A** of the Internal Revenue Code for the network and its  
3 participants.

4 “(2) To adopt rules for the general administration of the network, to ad-  
5 minister ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act** and  
6 to ensure the network’s compliance with [*section 529*] **sections 529 and 529A**  
7 of the Internal Revenue Code.

8 “(3) To maintain, invest and reinvest the funds contributed into the net-  
9 work consistent with the investment restrictions established by the board.  
10 The investment restrictions shall be consistent with the objectives of the  
11 network, and the board shall exercise the judgment and care then prevailing  
12 that persons of prudence, discretion and intelligence exercise in the man-  
13 agement of their own affairs with due regard to the probable income and  
14 level of risk from certain types of investments of money, in accordance with  
15 the policies established by the board.

16 “(4) To make and enter into any and all contracts, agreements or ar-  
17 rangements, and to retain, employ and contract for the services of private  
18 and public financial institutions, depositories, consultants, investment advi-  
19 sors or managers and third-party plan administrators and for research,  
20 technical and other services necessary or desirable for carrying out the  
21 purposes of ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act**.

22 “(5) To accept donations or receive funds for the purpose of providing  
23 scholarships, grants and other incentives to account owners, potential ac-  
24 count owners and their designated beneficiaries or furthering any of the  
25 purposes of ORS 348.841 to 348.873 **and sections 1 and 2 of this 2015 Act**.

26 “(6) To encourage increased participation in the network by awarding  
27 scholarships or grants, providing or making available other incentives to  
28 account owners or potential account owners and their designated benefi-  
29 aries, or entering into promotional arrangements with third parties as the  
30 board deems desirable.



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

5       “SECTION 11. ORS 348.856 is amended to read:

6       “348.856. (1) The Oregon 529 [*College*] Savings Network Fund is estab-  
7 lished in the State Treasury, separate and distinct from the General Fund.  
8 Interest earned by the Oregon 529 [*College*] Savings Network Fund shall be  
9 credited to the fund. All moneys credited to the Oregon 529 [*College*] Savings  
10 Network Fund are continuously appropriated to the Oregon 529 [*College*]  
11 Savings Board for the purposes of ORS 348.841 to 348.873 **and sections 1 and**  
12 **2 of this 2015 Act.**

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

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

15       “(b) Moneys transferred to the fund from the federal government, other  
16 state agencies or local governments;

17       “(c) Moneys from the payment of fees and the payment of other moneys  
18 due the board;

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

21       “(e) Earnings on moneys in the fund.

22       “(3) The board may use the moneys in the fund to pay the administrative  
23 costs and expenses of the board and the Oregon 529 [*College*] Savings Net-  
24 work, **including the qualified ABLÉ program established under section**  
25 **2 of this 2015 Act**, to provide or make available scholarships, grants and  
26 other incentives to account owners, potential account owners and their des-  
27 ignated beneficiaries, [*or*] to further any other purpose of ORS 348.841 to  
28 348.873 **or to further any purposes of the qualified ABLÉ program es-**  
29 **tablished under section 2 of this 2015 Act.**

30       “SECTION 12. ORS 348.857 is amended to read:

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

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

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

9 “(4) Total contributions to all accounts established on behalf of a partic-  
10 ular beneficiary may not exceed those reasonably necessary to provide for  
11 the qualified higher education expenses of the designated beneficiary. The  
12 Oregon 529 [College] Savings Board shall establish maximum contribution  
13 limits applicable to network accounts and shall require the provision of any  
14 information from the account owner and the designated beneficiary that the  
15 board deems necessary to establish these limits.

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

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

21 “(7) **This section applies only to accounts established for qualified**  
22 **higher education expenses.**

23 “**SECTION 13.** ORS 348.860 is amended to read:

24 “348.860. (1) Except as permitted in section 529 of the Internal Revenue  
25 Code, no person other than the Oregon 529 [College] Savings Board or a fi-  
26 nancial institution in which Oregon 529 [College] Savings Network funds  
27 have been invested shall have the right to direct the investment of any  
28 contributions to or earnings from the network.

29 “(2) The network, the board, each board member and the State of Oregon  
30 may not insure any account or guarantee any rate of return or any interest

1 rate on any contribution. The network, the board, each board member and  
2 the State of Oregon may not be liable for any loss incurred by any person  
3 as a result of participating in the network.

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

9 “(4) **This section applies only to accounts established for qualified**  
10 **higher education expenses.**

11 “SECTION 14. ORS 348.863 is amended to read:

12 “348.863. (1) An account and any interest in an account may not be as-  
13 signable or pledged or otherwise used to secure or obtain a loan or other  
14 advancement.

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

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

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

30 “(5) **This section applies only to accounts established for qualified**

1 **higher education expenses.**

2 **“SECTION 15.** ORS 348.867 is amended to read:

3 “348.867. (1) An account owner shall have the right at any time to change  
4 the designated beneficiary of an account to another individual who is a  
5 member of the family of the former designated beneficiary.

6 “(2) An account owner shall have the right at any time to direct that all  
7 or a portion of an account be transferred to the account of another desig-  
8 nated beneficiary who is a member of the family of the former designated  
9 beneficiary.

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

15 “(4) Individual account information, including but not limited to names,  
16 addresses, telephone numbers, personal identification information, amounts  
17 contributed and earnings on amounts contributed, is confidential and must  
18 be maintained as confidential:

19 “(a) Except to the extent necessary to administer the Oregon 529  
20 [College] Savings Network in a manner consistent with ORS 348.841 to  
21 348.873, Oregon tax laws and the Internal Revenue Code; or

22 “(b) Unless the person who provides the information or is the subject of  
23 the information expressly agrees in writing that the information may be  
24 disclosed.

25 **“(5) This section applies only to accounts established for qualified**  
26 **higher education expenses.**

27 **“SECTION 16.** ORS 348.869 is amended to read:

28 “348.869. The State of Oregon has no proprietary interest in the contri-  
29 butions or earnings of the Oregon 529 [College] Savings Network. Except as  
30 otherwise provided by law, the Oregon 529 [College] Savings Board is the

1 trustee of the contributions and earnings.

2 **“SECTION 17.** ORS 348.870 is amended to read:

3 “348.870. (1) Withdrawal from an account may be made as prescribed by  
4 the rules adopted by the Oregon 529 [*College*] Savings Board.

5 “(2) A financial institution shall report an account withdrawal during any  
6 calendar year to the account owner and the federal Internal Revenue Service.  
7 The report shall be made at the time and contain such information as re-  
8 quired by law.

9 **“(3) This section applies only to accounts established for qualified  
10 higher education expenses.**

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

12 “348.873. The Oregon 529 [*College*] Savings Board shall publish an annual  
13 report to the Governor and the Legislative Assembly detailing the board’s  
14 activities **under ORS 348.841 to 348.873 and sections 1 and 2 of this 2015**  
15 **Act.** The board shall submit the report to the Governor and the Legislative  
16 Assembly on or before March 15 of each year.

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

18 “279A.025. (1) Except as provided in subsections (2) to (4) of this section,  
19 the Public Contracting Code applies to all public contracting.

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

21 “(a) Contracts between a contracting agency and:

22 “(A) Another contracting agency;

23 “(B) The Oregon Health and Science University;

24 “(C) A public university listed in ORS 352.002;

25 “(D) The Oregon State Bar;

26 “(E) A governmental body of another state;

27 “(F) The federal government;

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

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

1       “(I) An intergovernmental entity formed between or among:  
2       “(i) Governmental bodies of this or another state;  
3       “(ii) The federal government;  
4       “(iii) An American Indian tribe or an agency of an American Indian tribe;  
5       “(iv) A nation other than the United States; or  
6       “(v) A governmental body in a nation other than the United States;  
7       “(b) Agreements authorized by ORS chapter 190 or by a statute, charter  
8 provision, ordinance or other authority for establishing agreements between  
9 or among governmental bodies or agencies or tribal governing bodies or  
10 agencies;  
11       “(c) Insurance and service contracts as provided for under ORS 414.115,  
12 414.125, 414.135 and 414.145 for purposes of source selection;  
13       “(d) Grants;  
14       “(e) Contracts for professional or expert witnesses or consultants to pro-  
15 vide services or testimony relating to existing or potential litigation or legal  
16 matters in which a public body is or may become interested;  
17       “(f) Acquisitions or disposals of real property or interest in real property;  
18       “(g) Sole-source expenditures when rates are set by law or ordinance for  
19 purposes of source selection;  
20       “(h) Contracts for the procurement or distribution of textbooks;  
21       “(i) Procurements by a contracting agency from an Oregon Corrections  
22 Enterprises program;  
23       “(j) The procurement, transportation or distribution of distilled liquor, as  
24 defined in ORS 471.001, or the appointment of agents under ORS 471.750 by  
25 the Oregon Liquor Control Commission;  
26       “(k) Contracts entered into under ORS chapter 180 between the Attorney  
27 General and private counsel or special legal assistants;  
28       “(L) Contracts for the sale of timber from lands owned or managed by the  
29 State Board of Forestry and the State Forestry Department;  
30       “(m) Contracts for forest protection or forest related activities, as de-

1 scribed in ORS 477.406, by the State Forester or the State Board of Forestry;

2 “(n) Contracts entered into by the Housing and Community Services De-  
3 partment in exercising the department’s duties prescribed in ORS chapters  
4 456 and 458, except that the department’s public contracting for goods and  
5 services is subject to ORS chapter 279B;

6 “(o) Contracts entered into by the State Treasurer in exercising the  
7 powers of that office prescribed in ORS chapters 178, 286A, 287A, 289, 293,  
8 294 and 295, including but not limited to investment contracts and agree-  
9 ments, banking services, clearing house services and collateralization agree-  
10 ments, bond documents, certificates of participation and other debt  
11 repayment agreements, and any associated contracts, agreements and docu-  
12 ments, regardless of whether the obligations that the contracts, agreements  
13 or documents establish are general, special or limited, except that the State  
14 Treasurer’s public contracting for goods and services is subject to ORS  
15 chapter 279B;

16 “(p) Contracts, agreements or other documents entered into, issued or es-  
17 tablished in connection with:

18 “(A) The issuance of obligations, as defined in ORS 286A.100 and  
19 287A.310, of a public body;

20 “(B) The making of program loans and similar extensions or advances of  
21 funds, aid or assistance by a public body to a public or private body for the  
22 purpose of carrying out, promoting or sustaining activities or programs au-  
23 thorized by law; or

24 “(C) The investment of funds by a public body as authorized by law, and  
25 other financial transactions of a public body that by their character cannot  
26 practically be established under the competitive contractor selection proce-  
27 dures of ORS 279B.050 to 279B.085;

28 “(q) Contracts for employee benefit plans as provided in ORS 243.105 (1),  
29 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

30 “(r) Contracts for employee benefit plans as provided in ORS 243.860 to

1 243.886; or

2 “(s) Any other public contracting of a public body specifically exempted  
3 from the code by another provision of law.

4 “(3) The Public Contracting Code does not apply to the contracting ac-  
5 tivities of:

6 “(a) The Oregon State Lottery Commission;

7 “(b) The legislative department;

8 “(c) The judicial department;

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

11 “(e) Oregon Corrections Enterprises;

12 “(f) The Oregon Film and Video Office, except as provided in ORS  
13 279A.100 and 279A.250 to 279A.290;

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

16 “(h) The Oregon 529 [*College*] Savings Network and the Oregon 529 [*Col-*  
17 *lege*] Savings Board;

18 “(i) The Oregon Innovation Council;

19 “(j) The Oregon Utility Notification Center; or

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

22 “(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to  
23 contracts made with qualified nonprofit agencies providing employment op-  
24 portunities for individuals with disabilities under ORS 279.835 to 279.855.

25 **“SECTION 20.** ORS 458.685 is amended to read:

26 “458.685. (1) A person may establish an individual development account  
27 only for a purpose approved by a fiduciary organization. Purposes that the  
28 fiduciary organization may approve are:

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

30 “(b) If the account holder has established the account for the benefit of



1 a household member who is under the age of 18 years, the payment of ex-  
2 tracurricular nontuition expenses designed to prepare the member for post-  
3 secondary education or job training.

4 “(c) If the account holder has established a [*college*] savings network ac-  
5 count **for higher education** under ORS 348.841 to 348.873 on behalf of a  
6 designated beneficiary, the establishment of an additional [*college*] savings  
7 network account **for higher education** on behalf of the same designated  
8 beneficiary.

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

16 “(e) The capitalization of a small business. Account moneys may be used  
17 for capital, plant, equipment and inventory expenses or for working capital  
18 pursuant to a business plan. The business plan must have been developed by  
19 a financial institution, nonprofit microenterprise program or other qualified  
20 agent demonstrating business expertise and have been approved by the  
21 fiduciary organization. The business plan must include a description of the  
22 services or goods to be sold, a marketing plan and projected financial state-  
23 ments.

24 “(f) Improvements, repairs or modifications necessary to make or keep the  
25 account holder’s primary dwelling habitable, accessible or visitable for the  
26 account holder or a household member. This paragraph does not apply to  
27 improvements, repairs or modifications made to a rented primary dwelling  
28 to achieve or maintain a habitable condition for which ORS 90.320 (1) places  
29 responsibility on the landlord. As used in this paragraph, ‘accessible’ and  
30 ‘visitable’ have the meanings given those terms in ORS 456.508.

1 “(g) The purchase of equipment, technology or specialized training re-  
2 quired to become competitive in obtaining or maintaining employment or to  
3 start or maintain a business, as specified in the account holder’s personal  
4 development plan for increasing the independence of the person.

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

11 “(b) The account holder must reimburse the account for the amount  
12 withdrawn under this subsection within 12 months after the date of the  
13 withdrawal. Failure of an account holder to make a timely reimbursement  
14 to the account is grounds for removing the account holder from the individ-  
15 ual development account program. Until the reimbursement has been made  
16 in full, an account holder may not withdraw any matching deposits or ac-  
17 crued interest on matching deposits from the account.

18 “(3) If an account holder withdraws moneys from an individual develop-  
19 ment account for other than an approved purpose, the fiduciary organization  
20 may remove the account holder from the program.

21 “(4) If an account holder moves from the area where the program is con-  
22 ducted or is otherwise unable to continue in the program, the fiduciary or-  
23 ganization may remove the account holder from the program.

24 “(5) If an account holder is removed from the program under subsection  
25 (2), (3) or (4) of this section, all matching deposits in the account and all  
26 interest earned on matching deposits shall revert to the fiduciary organiza-  
27 tion. The fiduciary organization shall use the reverted funds as a source of  
28 matching deposits for other accounts.

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

30 “458.690. (1) Notwithstanding ORS 315.271, a fiduciary organization se-

1 lected under ORS 458.695 may qualify as the recipient of account contribu-  
2 tions that qualify the contributor for a tax credit under ORS 315.271 only if  
3 the fiduciary organization structures the accounts to have the following  
4 features:

5 “(a) The fiduciary organization matches amounts deposited by the account  
6 holder according to a formula established by the fiduciary organization. The  
7 fiduciary organization shall maintain on deposit in the account not less than  
8 \$1 nor more than \$5 for each \$1 deposited by the account holder.

9 “(b) The matching deposits by the fiduciary organization to the individual  
10 development account are placed in:

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

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

15 “(C) In the case of an account established for the purpose described in  
16 ORS 458.685 (1)(c), a [*college*] savings network account **for higher education**  
17 under ORS 348.841 to 348.873, in which the fiduciary organization is the ac-  
18 count owner as defined in ORS 348.841.

19 “(2) Account holders may not accrue more than \$3,000 of matching funds  
20 under subsection (1) of this section from state-directed moneys in any  
21 12-month period. A fiduciary organization may designate a lower amount as  
22 a limit on annual matching funds. A fiduciary organization shall maintain  
23 on deposit sufficient funds to cover the matching deposit agreements for all  
24 individual development accounts managed by the organization.

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

28 “**SECTION 22.** ORS 458.700 is amended to read:

29 “458.700. (1) Subject to Housing and Community Services Department  
30 rules, a fiduciary organization has sole authority over, and responsibility for,

1 the administration of individual development accounts. The responsibility of  
2 the fiduciary organization extends to all aspects of the account program,  
3 including marketing to participants, soliciting matching contributions,  
4 counseling account holders, providing financial literacy education, and con-  
5 ducting required verification and compliances activities. The fiduciary or-  
6 ganization may establish program provisions as the organization believes  
7 necessary to ensure account holder compliance with the provisions of ORS  
8 458.680 and 458.685. Notwithstanding ORS 458.670 (5) and 458.680 (2), a  
9 fiduciary organization may establish income and net worth limitations for  
10 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,  
13 including businesses, government agencies, nonprofit organizations, commu-  
14 nity development corporations, community action programs, housing author-  
15 ities and congregations to assist in the fulfillment of fiduciary organization  
16 responsibilities under this section and ORS 458.685, 458.690 and 458.695.

17 “(3) A fiduciary organization may use a reasonable portion of moneys al-  
18 located to the individual development account program for administration,  
19 operation and evaluation purposes.

20 “(4) A fiduciary organization selected to administer moneys directed by  
21 the state to individual development account purposes or receiving tax  
22 deductible contributions shall provide the Housing and Community Services  
23 Department with an annual report of the fiduciary organization’s individual  
24 development account program activity. The report shall be filed no later than  
25 90 days after the end of the fiscal year of the fiduciary organization. The  
26 report shall include, but is not limited to:

27 “(a) The number of individual development accounts administered by the  
28 fiduciary organization;

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

30 “(c) The purpose of each account;

1 “(d) The number of withdrawals made; and

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

4 “(5) A fiduciary organization that is the account owner of a [*college*]  
5 savings network account **for higher education under ORS 348.841 to**  
6 **348.873:**

7 “(a) May make a qualified withdrawal only at the direction of the desig-  
8 nated beneficiary and only after the [*college*] savings network account of the  
9 account holder that was established for the designated beneficiary has been  
10 reduced to a balance of zero exclusively through qualified withdrawals by the  
11 designated beneficiary; and

12 “(b) May make nonqualified withdrawals only if the [*college*] savings  
13 network account of the account holder that was established for the desig-  
14 nated beneficiary has a balance of less than \$100 or if the account holder  
15 or designated beneficiary has granted permission to make the withdrawal.  
16 Moneys received by a fiduciary organization from a nonqualified withdrawal  
17 made under this paragraph must be used for individual development account  
18 purposes.

19 “(6) The department may make all reasonable and necessary rules to en-  
20 sure fiduciary organization compliance with this section and ORS 458.685,  
21 458.690 and 458.695.

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

24 “458.700. (1) Subject to Housing and Community Services Department  
25 rules, a fiduciary organization has sole authority over, and responsibility for,  
26 the administration of individual development accounts. The responsibility of  
27 the fiduciary organization extends to all aspects of the account program,  
28 including marketing to participants, soliciting matching contributions,  
29 counseling account holders, providing financial literacy education, and con-  
30 ducting required verification and compliances activities. The fiduciary or-

1 organization may establish program provisions as the organization believes  
2 necessary to ensure account holder compliance with the provisions of ORS  
3 458.680 and 458.685. Notwithstanding ORS 458.670 (5) and 458.680 (2), a  
4 fiduciary organization may establish income and net worth limitations for  
5 account holders that are lower than the income and net worth limitations  
6 established by ORS 458.670 (5) and 458.680 (2).

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

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

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

22 “(a) The number of individual development accounts administered by the  
23 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  
28 of making a return on investment analysis.

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

1 **348.873:**

2 “(a) May make a qualified withdrawal only at the direction of the desig-  
3 nated beneficiary and only after the [college] savings network account of the  
4 account holder that was established for the designated beneficiary has been  
5 reduced to a balance of zero exclusively through qualified withdrawals by the  
6 designated beneficiary; and

7 “(b) May make nonqualified withdrawals only if the [college] savings  
8 network account of the account holder that was established for the desig-  
9 nated beneficiary has a balance of less than \$100 or if the account holder  
10 or designated beneficiary has granted permission to make the withdrawal.  
11 Moneys received by a fiduciary organization from a nonqualified withdrawal  
12 made under this paragraph must be used for individual development account  
13 purposes.

14 “(6) The department may make all reasonable and necessary rules to en-  
15 sure fiduciary organization compliance with this section and ORS 458.685  
16 and 458.695.

17 **“SECTION 24. Notwithstanding any other law limiting expenditures,**  
18 **the limitation on expenditures established by section 1 (2), chapter \_\_,**  
19 **Oregon Laws 2015 (Enrolled House Bill 5041), for the biennium begin-**  
20 **ning July 1, 2015, as the maximum limit for payment of expenses from**  
21 **fees, moneys or other revenues, including Miscellaneous Receipts, but**  
22 **excluding lottery funds and federal funds, collected or received by the**  
23 **State Treasurer, is increased by \$896,391 for the purpose of carrying**  
24 **out the provisions of sections 1 and 2 of this 2015 Act.**

25 **“SECTION 25. (1) The amendments to ORS 348.849 by section 6 of**  
26 **this 2015 Act are intended to change the name of the Oregon 529 Col-**  
27 **lege Savings Board to the Oregon 529 Savings Board.**

28 **“(2) For the purpose of harmonizing and clarifying statutory law,**  
29 **the Legislative Counsel may substitute for words designating the**  
30 **Oregon 529 College Savings Board, wherever they occur in statutory**

1 law, other words designating the Oregon 529 Savings Board.

2 **“SECTION 26.** (1) The amendments to ORS 348.844 by section 9 of  
3 this 2015 Act are intended to change the name of the Oregon 529 Col-  
4 lege Savings Network to the Oregon 529 Savings Network.

5 **“(2)** For the purpose of harmonizing and clarifying statutory law,  
6 the Legislative Counsel may substitute for words designating the  
7 Oregon 529 College Savings Network, wherever they occur in statutory  
8 law, other words designating the Oregon 529 Savings Network.

9 **“SECTION 27.** (1) The amendments to ORS 348.856 by section 11 of  
10 this 2015 Act are intended to change the name of the Oregon 529 Col-  
11 lege Savings Network Fund to the Oregon 529 Savings Network Fund.

12 **“(2)** For the purpose of harmonizing and clarifying statutory law,  
13 the Legislative Counsel may substitute for words designating the  
14 Oregon 529 College Savings Network Fund, wherever they occur in  
15 statutory law, other words designating the Oregon 529 Savings Net-  
16 work Fund.

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

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

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