

## HOUSE AMENDMENTS TO HOUSE BILL 4019

By COMMITTEE ON HIGHER EDUCATION, INNOVATION, AND WORKFORCE  
DEVELOPMENT

February 15

1 On page 1 of the printed bill, line 2, after the first semicolon insert “creating new provisions;  
2 and” and delete “and 350.075” and insert “, 348.608, 350.075, 350.290 and 458.685”.

3 On page 2, line 19, delete “five” and insert “10”.

4 On page 8, after line 28, insert:

5 “**SECTION 7.** ORS 350.290 is amended to read:

6 “350.290. (1) A public university listed in ORS 352.002 or a community college shall charge an  
7 enrolled student who is not a resident of this state and who is attending classes as an undergraduate  
8 or graduate student on a public university or community college campus in this state tuition and  
9 fees no greater than the resident rate if the student:

10 “(a)(A) Served in the Armed Forces of the United States;

11 “(B) Was relieved or discharged from that service with either an honorable discharge or a gen-  
12 eral discharge under honorable conditions; and

13 “(C) Provides proof that the student has established a physical presence in Oregon within 12  
14 months of being enrolled at the public university or community college;

15 “(b) Was, **or is the dependent of**, a resident of Oregon who left the state within the previous  
16 five years in order to serve, and who subsequently served, in the Armed Forces of the United States  
17 or in an international position with the state, **the** federal government or a humanitarian aid organ-  
18 ization; or

19 “(c)(A) Was, **or is the dependent of**, a resident of Oregon who left the state more than five  
20 years ago in order to serve, and who subsequently served, in the Armed Forces of the United States  
21 or in an international position with the state, **the** federal government or a humanitarian aid organ-  
22 ization; and

23 “(B) Since leaving the state in the manner provided in subparagraph (A) of this paragraph, has  
24 never established residence in another state.

25 “(2) A person who served in the Armed Forces of the United States or in an international po-  
26 sition with the state, **the** federal government or a humanitarian aid organization and who receives  
27 federal tuition benefits in excess of the tuition and fees the person is charged under subsection (1)  
28 of this section at a public university listed in ORS 352.002 or a community college where the person  
29 is enrolled shall pay tuition and fees equal to the federal tuition benefits received.

30 “(3) Distance education and self-support courses as identified by each public university listed in  
31 ORS 352.002 and community college are exempt from the tuition reduction provisions of this section.

32 “(4) If a nonresident student otherwise eligible for tuition benefits under this section is receiving  
33 federal vocational rehabilitation education benefits, that student shall pay full nonresident tuition  
34 and fees charged by a public university listed in ORS 352.002 or a community college.

35 “**SECTION 8.** ORS 458.685 is amended to read:

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

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

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

7 “(c) If the account holder has established a savings network account for higher education under  
8 ORS 178.300 to 178.355 on behalf of a designated beneficiary, the [*establishment of an additional*]  
9 **funding of qualified higher education expenses as defined in ORS 178.300 by one or more de-**  
10 **posits into a** savings network account for higher education on behalf of the same designated bene-  
11 ficiary.

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

18 “(e) The rental of a primary residence when housing stability is essential to achieve state policy  
19 goals. Account moneys may be used for security deposits, first and last months’ rent, application fees  
20 and other expenses necessary to move into the primary residence, as specified in the account  
21 holder’s personal development plan for increasing the independence of the person.

22 “(f) The capitalization of a small business. Account moneys may be used for capital, plant,  
23 equipment and inventory expenses and to hire employees upon capitalization of the small business,  
24 or for working capital pursuant to a business plan. The business plan must have been developed by  
25 a financial institution, nonprofit microenterprise program or other qualified agent demonstrating  
26 business expertise and have been approved by the fiduciary organization. The business plan must  
27 include a description of the services or goods to be sold, a marketing plan and projected financial  
28 statements.

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

35 “(h) The purchase of equipment, technology or specialized training required to become compet-  
36 itive in obtaining or maintaining employment or to start or maintain a business, as specified in the  
37 account holder’s personal development plan for increasing the independence of the person.

38 “(i) The purchase or repair of a vehicle, as specified in the account holder’s personal develop-  
39 ment plan for increasing the independence of the person.

40 “(j) The saving of funds for retirement, as specified in the account holder’s personal development  
41 plan for increasing the independence of the person.

42 “(k) The payment of debts owed for educational or medical purposes when the account holder  
43 is saving for another allowable purpose, as specified in the account holder’s personal development  
44 plan for increasing the independence of the person.

45 “(L) The creation or improvement of a credit score by obtaining a secured loan or a financial

1 product that is designed to improve credit, as specified in the account holder's personal development  
2 plan for increasing the independence of the person.

3 "(m) The replacement of a primary residence when replacement offers significant opportunity to  
4 improve habitability or energy efficiency.

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

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

15 "(3) If an account holder withdraws moneys from an individual development account for other  
16 than an approved purpose, the fiduciary organization may remove the account holder from the pro-  
17 gram.

18 "(4)(a) If the account holder of an account established for the purpose set forth in subsection  
19 (1)(c) or (j) of this section has achieved the account's approved purpose in accordance with the  
20 personal development plan developed by the account holder under ORS 458.680, the account holder  
21 may withdraw, or authorize the withdrawal of, the remaining amount of all deposits, including  
22 matching deposits, and interest in the account as follows:

23 "(A) For an account established for the purpose set forth in subsection (1)(c) of this section, by  
24 rolling over the entire withdrawal amount, not to exceed the limit established pursuant to ORS  
25 178.335, into one or more of the savings network accounts for higher education under ORS 178.300  
26 to 178.355, the establishment of which is the purpose of the individual development account; or

27 "(B) For an account established for the purpose set forth in subsection (1)(j) of this section, by  
28 rolling over the entire withdrawal amount into an individual retirement account, a retirement plan  
29 or a similar account or plan established under the Internal Revenue Code.

30 "(b) Upon withdrawal of all moneys in the individual development account as provided in para-  
31 graph (a) of this subsection, the account relationship shall terminate.

32 "(c) The rollover of moneys into a savings network account for higher education under this  
33 subsection may not cause the amount in the savings network account for higher education to exceed  
34 the limit on total contributions established pursuant to ORS 178.335.

35 "(d) Any amount of the rollover that has been subtracted on the taxpayer's federal return pur-  
36 suant to section 219 of the Internal Revenue Code shall be added back in the determination of tax-  
37 able income.

38 "(5) If an account holder moves from the area where the program is conducted or is otherwise  
39 unable to continue in the program, the fiduciary organization may remove the account holder from  
40 the program.

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

45 "**SECTION 9.** ORS 348.608 is amended to read:

1 “348.608. (1) Each year, on a date prescribed by the Higher Education Coordinating Commission,  
2 a school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005, met the  
3 criteria and followed procedures to obtain a religious exemption adopted by rule by the Oregon  
4 Student Access Commission and that offered only degrees with approved titles in theology or reli-  
5 gious occupations, shall submit to the [*Executive Director of the Office of Student Access and Com-*  
6 *pletion*] **Higher Education Coordinating Commission** a statement that reads: ‘(Name of School)  
7 hereby certifies that the school remains in compliance with all conditions for a religious exemption  
8 from ORS 348.594 to 348.615.’

9 “(2) A school that obtains an exemption under ORS 348.604 or a school that, on July 14, 2005,  
10 met the criteria and followed procedures to obtain a religious exemption adopted by rule by the  
11 Oregon Student Access Commission and that offered only degrees with approved titles in theology  
12 or religious occupations remains exempt unless the [*executive director*] **Higher Education Coordi-**  
13 **nating Commission** suspends or revokes the exemption.

14 “(3) The [*executive director*] **Higher Education Coordinating Commission** may suspend or re-  
15 voke an exemption if:

16 “(a) After the notice and opportunity to cure provided in subsection (4) of this section, a school  
17 fails to provide the statement required by subsection (1) of this section;

18 “(b) The [*executive director*] **commission** has received a complaint from a student or former  
19 student of the school that the school is failing to comply with a condition for exemption under ORS  
20 348.604, the [*executive director*] **commission** determines that the complaint is valid, the school has  
21 been provided with notice and opportunity to cure as required by subsection (4) of this section and  
22 the school fails to comply with the condition listed in the notice; or

23 “(c) After the notice and opportunity to cure provided in subsection (4) of this section, a school  
24 is in violation of ORS 348.605.

25 “(4) The [*executive director*] **Higher Education Coordinating Commission** shall provide notice  
26 of and 90 days to cure a school’s:

27 “(a) Failure to provide the statement required by subsection (1) of this section;

28 “(b) Failure to maintain compliance with a condition for exemption under ORS 348.604 if the  
29 [*executive director*] **commission** has received a complaint from a student or former student of the  
30 school that the school is failing to comply with a condition for exemption under ORS 348.604 and  
31 the [*executive director*] **commission** has determined the complaint is valid; or

32 “(c) Violation of ORS 348.605.

33 “(5) A school may appeal the denial, suspension or revocation of an exemption to the [*executive*  
34 *director*] **Higher Education Coordinating Commission**.

35 “(6) A school may appeal the [*executive director’s*] **Higher Education Coordinating**  
36 **Commission’s** decision that a faculty member does not possess sufficient compensatory qualifica-  
37 tions to substitute for an academic degree in the field in which the faculty member teaches.

38 “(7) The [*executive director*] **Higher Education Coordinating Commission** shall conduct an  
39 appeal under this section as a contested case under ORS chapter 183.

40 “(8)(a) If a school appeals the denial, suspension or revocation of an exemption and the [*execu-*  
41 *tive director*] **Higher Education Coordinating Commission** upholds the denial, suspension or re-  
42 vocation, the [*executive director*] **commission** shall provide the school 90 days to cure the grounds  
43 for the denial, suspension or revocation. If the school does not cure the grounds for the denial,  
44 suspension or revocation within 90 days after the [*executive director*] **commission** upholds the de-  
45 nial, suspension or revocation, then the denial, suspension or revocation becomes effective 90 days

1 after the issuance of the decision on the appeal by the [*executive director*] **commission**.

2 “(b) If a school does not appeal the denial, suspension or revocation of an exemption to the  
3 [*executive director*] **commission** and the school does not cure the grounds for the denial, suspension  
4 or revocation within the period of time to appeal the decision to the [*executive director*]  
5 **commission**, then the denial, suspension or revocation becomes effective upon the expiration of the  
6 period of time to appeal.

7 “**SECTION 10. The requirement set forth in ORS 348.597 (2)(a)(B), as amended by section**  
8 **3 of this 2016 Act, applies only to determinations as to whether ORS 348.594 to 348.615 apply**  
9 **to a school that are made on or after the effective date of this 2016 Act. If ORS 348.594 to**  
10 **348.615 do not apply to a school on the effective date of this 2016 Act, ORS 348.594 to 348.615**  
11 **continue to not apply to the school even if the school has not conferred degrees in this state**  
12 **under the same control for at least 10 consecutive years.”.**

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