

HB 4019-5
(LC 182)
2/10/16 (DRG/ps)

Requested by HOUSE COMMITTEE ON HIGHER EDUCATION, INNOVATION, AND
WORKFORCE DEVELOPMENT

**PROPOSED AMENDMENTS TO
HOUSE BILL 4019**

1 On page 1 of the printed bill, line 2, after the first semicolon insert
2 “creating new provisions; and” and delete “and 350.075” and insert “, 348.608,
3 350.075, 350.290 and 458.685”.

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

5 On page 8, after line 28, insert:

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

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

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

13 “(B) Was relieved or discharged from that service with either an honor-
14 able discharge or a general discharge under honorable conditions; and

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

18 “(b) Was, **or is the dependent of**, a resident of Oregon who left the state
19 within the previous five years in order to serve, and who subsequently
20 served, in the Armed Forces of the United States or in an international po-
21 sition with the state, **the** federal government or a humanitarian aid organ-

1 ization; or

2 “(c)(A) Was, **or is the dependent of**, a resident of Oregon who left the
3 state more than five years ago in order to serve, and who subsequently
4 served, in the Armed Forces of the United States or in an international po-
5 sition with the state, **the** federal government or a humanitarian aid organ-
6 ization; and

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

9 “(2) A person who served in the Armed Forces of the United States or in
10 an international position with the state, **the** federal government or a
11 humanitarian aid organization and who receives federal tuition benefits in
12 excess of the tuition and fees the person is charged under subsection (1) of
13 this section at a public university listed in ORS 352.002 or a community
14 college where the person is enrolled shall pay tuition and fees equal to the
15 federal tuition benefits received.

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

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

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

24 “458.685. (1) A person may establish an individual development account
25 only for a purpose approved by a fiduciary organization. Purposes that the
26 fiduciary organization may approve are:

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

28 “(b) If the account holder has established the account for the benefit of
29 a household member who is under the age of 18 years, the payment of ex-
30 tracurricular nontuition expenses designed to prepare the member for post-

1 secondary education or job training.

2 “(c) If the account holder has established a savings network account for
3 higher education under ORS 178.300 to 178.355 on behalf of a designated
4 beneficiary, the [*establishment of an additional*] **funding of qualified higher**
5 **education expenses as defined in ORS 178.300 by one or more deposits**
6 **into a** savings network account for higher education on behalf of the same
7 designated beneficiary.

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

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

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

29 “(g) Improvements, repairs or modifications necessary to make or keep the
30 account holder’s primary dwelling habitable, accessible or visitable for the

1 account holder or a household member. This paragraph does not apply to
2 improvements, repairs or modifications made to a rented primary dwelling
3 to achieve or maintain a habitable condition for which ORS 90.320 (1) places
4 responsibility on the landlord. As used in this paragraph, ‘accessible’ and
5 ‘visitable’ have the meanings given those terms in ORS 456.508.

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

10 “(i) The purchase or repair of a vehicle, as specified in the account
11 holder’s personal development plan for increasing the independence of the
12 person.

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

16 “(k) The payment of debts owed for educational or medical purposes when
17 the account holder is saving for another allowable purpose, as specified in
18 the account holder’s personal development plan for increasing the independ-
19 ence of the person.

20 “(L) The creation or improvement of a credit score by obtaining a secured
21 loan or a financial product that is designed to improve credit, as specified
22 in the account holder’s personal development plan for increasing the inde-
23 pendence of the person.

24 “(m) The replacement of a primary residence when replacement offers
25 significant opportunity to improve habitability or energy efficiency.

26 “(2)(a) If an emergency occurs, an account holder may withdraw all or
27 part of the account holder’s deposits to an individual development account
28 for a purpose not described in subsection (1) of this section. As used in this
29 paragraph, ‘emergency’ includes making payments for necessary medical ex-
30 penses, to avoid eviction of the account holder from the account holder’s

1 residence and for necessary living expenses following a loss of employment.

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

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

12 “(4)(a) If the account holder of an account established for the purpose set
13 forth in subsection (1)(c) or (j) of this section has achieved the account’s
14 approved purpose in accordance with the personal development plan devel-
15 oped by the account holder under ORS 458.680, the account holder may
16 withdraw, or authorize the withdrawal of, the remaining amount of all de-
17 posits, including matching deposits, and interest in the account as follows:

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

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

28 “(b) Upon withdrawal of all moneys in the individual development ac-
29 count as provided in paragraph (a) of this subsection, the account relation-
30 ship shall terminate.

1 “(c) The rollover of moneys into a savings network account for higher
2 education under this subsection may not cause the amount in the savings
3 network account for higher education to exceed the limit on total contribu-
4 tions established pursuant to ORS 178.335.

5 “(d) Any amount of the rollover that has been subtracted on the
6 taxpayer’s federal return pursuant to section 219 of the Internal Revenue
7 Code shall be added back in the determination of taxable income.

8 “(5) If an account holder moves from the area where the program is con-
9 ducted or is otherwise unable to continue in the program, the fiduciary or-
10 ganization may remove the account holder from the program.

11 “(6) If an account holder is removed from the program under subsection
12 (2), (3) or (5) of this section, all matching deposits in the account and all
13 interest earned on matching deposits shall revert to the fiduciary organiza-
14 tion. The fiduciary organization shall use the reverted funds as a source of
15 matching deposits for other accounts.

16 **“SECTION 9.** ORS 348.608 is amended to read:

17 “348.608. (1) Each year, on a date prescribed by the Higher Education
18 Coordinating Commission, a school that obtains an exemption under ORS
19 348.604 or a school that, on July 14, 2005, met the criteria and followed
20 procedures to obtain a religious exemption adopted by rule by the Oregon
21 Student Access Commission and that offered only degrees with approved ti-
22 tles in theology or religious occupations, shall submit to the [*Executive Di-*
23 *rector of the Office of Student Access and Completion*] **Higher Education**
24 **Coordinating Commission** a statement that reads: ‘(Name of School) hereby
25 certifies that the school remains in compliance with all conditions for a re-
26 ligious exemption from ORS 348.594 to 348.615.’

27 “(2) A school that obtains an exemption under ORS 348.604 or a school
28 that, on July 14, 2005, met the criteria and followed procedures to obtain a
29 religious exemption adopted by rule by the Oregon Student Access Commis-
30 sion and that offered only degrees with approved titles in theology or reli-

1 gious occupations remains exempt unless the [*executive director*] **Higher**
2 **Education Coordinating Commission** suspends or revokes the exemption.

3 “(3) The [*executive director*] **Higher Education Coordinating Commis-**
4 **sion** may suspend or revoke an exemption if:

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

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

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

17 “(4) The [*executive director*] **Higher Education Coordinating Commis-**
18 **sion** shall provide notice of and 90 days to cure a school’s:

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

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

26 “(c) Violation of ORS 348.605.

27 “(5) A school may appeal the denial, suspension or revocation of an ex-
28 emption to the [*executive director*] **Higher Education Coordinating Com-**
29 **mission**.

30 “(6) A school may appeal the [*executive director’s*] **Higher Education**

1 **Coordinating Commission's** decision that a faculty member does not pos-
2 sess sufficient compensatory qualifications to substitute for an academic de-
3 gree in the field in which the faculty member teaches.

4 “(7) The [*executive director*] **Higher Education Coordinating Commis-**
5 **sion** shall conduct an appeal under this section as a contested case under
6 ORS chapter 183.

7 “(8)(a) If a school appeals the denial, suspension or revocation of an ex-
8 emption and the [*executive director*] **Higher Education Coordinating**
9 **Commission** upholds the denial, suspension or revocation, the [*executive*
10 *director*] **commission** shall provide the school 90 days to cure the grounds
11 for the denial, suspension or revocation. If the school does not cure the
12 grounds for the denial, suspension or revocation within 90 days after the
13 [*executive director*] **commission** upholds the denial, suspension or revoca-
14 tion, then the denial, suspension or revocation becomes effective 90 days af-
15 ter the issuance of the decision on the appeal by the [*executive director*]
16 **commission**.

17 “(b) If a school does not appeal the denial, suspension or revocation of
18 an exemption to the [*executive director*] **commission** and the school does not
19 cure the grounds for the denial, suspension or revocation within the period
20 of time to appeal the decision to the [*executive director*] **commission**, then
21 the denial, suspension or revocation becomes effective upon the expiration
22 of the period of time to appeal.

23 “**SECTION 10. The requirement set forth in ORS 348.597 (2)(a)(B),**
24 **as amended by section 3 of this 2016 Act, applies only to determi-**
25 **nations as to whether ORS 348.594 to 348.615 apply to a school that are**
26 **made on or after the effective date of this 2016 Act. If ORS 348.594 to**
27 **348.615 do not apply to a school on the effective date of this 2016 Act,**
28 **ORS 348.594 to 348.615 continue to not apply to the school even if the**
29 **school has not conferred degrees in this state under the same control**
30 **for at least 10 consecutive years.”**

