

SB 1027 STAFF MEASURE SUMMARY

Senate Committee On Human Services

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Meeting Dates: 4/3

WHAT THE MEASURE DOES:

Permits transfer of ABLÉ account funds to estate of deceased designated beneficiary or to another eligible individual's ABLÉ account. Prohibits Department of Human Services (DHS) and Oregon Health Authority (OHA) from seeking payment from ABLÉ account. Restricts Oregon 529 Savings Network, Oregon 529 Savings Board, board members, and State of Oregon from insuring or guaranteeing rate of return on ABLÉ account contribution, and limits liability of those entities for losses. Specifies designated beneficiary of qualified higher education account may direct investment contributions or earnings by selecting between offered investment options. Declares emergency, effective on passage.

FISCAL: May Have Fiscal Impact, But No Statement Yet Issued

REVENUE: May Have Revenue Impact, But No Statement Yet Issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Federal law authorizes states to create ABLÉ account programs, which create tax-exempt savings accounts for eligible individuals with disabilities to put money for use on qualified disability expenses without losing disability benefits. Oregon law creates a state ABLÉ program, which is administered by the Oregon 529 Savings Board (529 Board). The 529 Board establishes investment policies for ABLÉ accounts.

Senate Bill 1027 permits the funds in the ABLÉ account of a deceased designated beneficiary to be transferred to the deceased beneficiary's estate or to the ABLÉ account of another eligible individual. The Department of Human Services (DHS) and Oregon Health Authority (OHA) are restricted from recovering incorrectly paid medical assistance payments from ABLÉ accounts. The measure restricts Oregon 529 Savings Network financial institutions, 529 Board, board members, and the state itself from guaranteeing rates of return or insuring any ABLÉ account, and those entities have limited liability to losses incurred by any person participating in the network.

Senate Bill 1027 also establishes that only the 529 Board or Oregon 529 Savings Network financial institutions have the right to direct the investments for ABLÉ accounts and qualified higher education accounts. Designated beneficiaries of those accounts can direct investment of contributions through their selection of investment options.