

and

Blackburn of the House

An Act relating to the College Savings Plan Act; amending Section 3, Chapter 366, O.S.L. 1998 (70 O.S. Supp. 2000, Section 3970.3), which relates to definitions; adding certain entities to definition of account owner; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 3, Chapter 366, O.S.L. 1998 (70 O.S. Supp. 2000, Section 3970.3), is amended to read as follows:

Section 3970.3 As used in this act:

1. "Account" means an individual trust account or savings account established as prescribed in this act;
2. "Account owner" means the person or other entity allowable under Section 529 of the Internal Revenue Code designated at the time an account is opened as having the right to withdraw monies from the account before the account is disbursed to or for the benefit of the designated beneficiary;
3. "Board" means the Board of Trustees of the Oklahoma College Savings Plan;
4. "Designated beneficiary" means:
 - a. with respect to an account, the person designated at the time the account is opened as the person whose higher education expenses are expected to be paid from the account,
 - b. in the case of a change in beneficiaries described in Section 7 3970.7 of this ~~act~~ title, the individual who is the new beneficiary, or

c. in the case of an interest in the program created by this act purchased by the State of Oklahoma or a local government in this state, or an agency or instrumentality of such state or local government, or an organization described in Section 501(c)(3) of the Internal Revenue Code and exempt from taxation under Section 501(a) of that Code as part of a scholarship program operated by such government or organization, the individual(s) receiving such interest or scholarship;

5. "Eligible educational institution" means an institution as described in Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), and is eligible to participate in a program under Title IV of that Act;

6. "Financial institution" means any bank, commercial bank, national bank, savings bank, savings and loan association, credit union, an insurance company, brokerage firm, or other similar entity that is authorized to do business in this state;

7. "Member of family" means an individual who bears a relationship to another individual which is a relationship described in paragraphs (1) through (8) of Section 152(a) of the Internal Revenue Code, or the spouse of an individual described therein;

8. "Nonqualified withdrawal" means a withdrawal from an account other than one of the following:

- a. a qualified withdrawal,
- b. a withdrawal made as a result of the death or disability of the designated beneficiary of an account,
- c. withdrawal that is made on the account of a scholarship or the allowance or payment described in Section 135(d)(1)(B) or (C) or by the Internal Revenue Code, received by the designated beneficiary to the

extent the amount of the refund does not exceed the amount of the scholarship, allowance, or payment, or

d. a rollover or change of designated beneficiary as permitted by subsection F of Section 7 3970.7 of this ~~act~~ title;

9. "Program" means the Oklahoma College Savings Plan established under this act;

10. "Qualified higher education expenses" means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible educational institution, including room and board expenses, to the extent such expenses are allowable under Section 529 of the Internal Revenue Code;

11. "Qualified withdrawal" means a withdrawal from an account to pay the qualified higher education expenses of the designated beneficiary of the account, but only if the withdrawal is made in accordance with this act.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 13th day of March, 2001.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2001.

Presiding Officer of the House
of Representatives