

# An Act

ENROLLED HOUSE  
BILL NO. 1962

By: Nollan and Bell of the  
House

and

Quinn of the Senate

An Act relating to higher education; amending 70 O.S. 2011, Section 3970.3, which relates to the Oklahoma College Savings Plan Act; modifying definition of qualified higher education expenses; and providing an effective date.

SUBJECT: Higher education

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

SECTION 1. AMENDATORY 70 O.S. 2011, 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. "Affinity program" means any supplemental feature to the Oklahoma College Savings Plan that offers additional value for plan participants including, but not limited to, rebate contributions from affiliated credit cards;

4. "Board" means the Board of Trustees of the Oklahoma College Savings Plan;

5. "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 3970.7 of this 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;

6. "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;

7. "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;

8. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended;

9. "Member of family" means an individual who bears a relationship to another individual which is a relationship described in Section 529 of the Internal Revenue Code;

10. "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 529 of 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 3970.7 of this title;

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

12. "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~~ that meet the definition of qualified higher education expenses under Section 529 of the Internal Revenue Code; and

13. "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. This act shall become effective November 1, 2021.

Passed the House of Representatives the 2nd day of March, 2021.

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

Passed the Senate the 21st day of April, 2021.

\_\_\_\_\_  
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_