

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 HOUSE BILL 1962

 By: Nollan

7 AS INTRODUCED

8 An Act relating to higher education; amending 70 O.S.
9 2011, Section 3970.3, which relates to the Oklahoma
10 College Savings Plan Act; modifying definition of
 qualified higher education expenses; and providing an
 effective date.

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

14 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3970.3, is
15 amended to read as follows:

16 Section 3970.3 As used in this act:

17 1. "Account" means an individual trust account or savings
18 account established as prescribed in this act;

19 2. "Account owner" means the person or other entity allowable
20 under Section 529 of the Internal Revenue Code designated at the
21 time an account is opened as having the right to withdraw monies
22 from the account before the account is disbursed to or for the
23 benefit of the designated beneficiary;

1 3. "Affinity program" means any supplemental feature to the
2 Oklahoma College Savings Plan that offers additional value for plan
3 participants including, but not limited to, rebate contributions
4 from affiliated credit cards;

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

7 5. "Designated beneficiary" means:

- 8 a. with respect to an account, the person designated at
9 the time the account is opened as the person whose
10 higher education expenses are expected to be paid from
11 the account,
- 12 b. in the case of a change in beneficiaries described in
13 Section 3970.7 of this title, the individual who is
14 the new beneficiary, or
- 15 c. in the case of an interest in the program created by
16 this act purchased by the State of Oklahoma or a local
17 government in this state, or an agency or
18 instrumentality of such state or local government, or
19 an organization described in Section 501(c)(3) of the
20 Internal Revenue Code and exempt from taxation under
21 Section 501(a) of that Code as part of a scholarship
22 program operated by such government or organization,
23 the individual(s) receiving such interest or
24 scholarship;

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

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

9 8. "Internal Revenue Code" means the Internal Revenue Code of
10 1986, as amended;

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

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

- 16 a. a qualified withdrawal,
- 17 b. a withdrawal made as a result of the death or
18 disability of the designated beneficiary of an
19 account,
- 20 c. withdrawal that is made on the account of a
21 scholarship or the allowance or payment described in
22 Section 529 of the Internal Revenue Code, received by
23 the designated beneficiary to the extent the amount of
24

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

3 d. a rollover or change of designated beneficiary as
4 permitted by subsection F of Section 3970.7 of this
5 title;

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

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

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

19 SECTION 2. This act shall become effective November 1, 2021.
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21 COMMITTEE REPORT BY: COMMITTEE ON HIGHER EDUCATION AND CAREER TECH,
22 dated 02/08/2021 - DO PASS.
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