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March 30, 2021

ENGROSSED 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.

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;

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.

20 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION  
21 March 30, 2021 - DO PASS  
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