

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 HOUSE BILL 1962

By: Nollan

4  
5  
6 AS INTRODUCED

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

10  
11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

15 Section 3970.3 As used in this act:

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

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

23 3. "Affinity program" means any supplemental feature to the  
24 Oklahoma College Savings Plan that offers additional value for plan

1 participants including, but not limited to, rebate contributions  
2 from affiliated credit cards;

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

5 5. "Designated beneficiary" means:

6 a. with respect to an account, the person designated at  
7 the time the account is opened as the person whose  
8 higher education expenses are expected to be paid from  
9 the account,

10 b. in the case of a change in beneficiaries described in  
11 Section 3970.7 of this title, the individual who is  
12 the new beneficiary, or

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

23 6. "Eligible educational institution" means an institution as  
24 described in Section 481 of the Higher Education Act of 1965 (20

1 U.S.C. 1088), and is eligible to participate in a program under  
2 Title IV of that Act;

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

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

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

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

14 a. a qualified withdrawal,

15 b. a withdrawal made as a result of the death or  
16 disability of the designated beneficiary of an  
17 account,

18 c. withdrawal that is made on the account of a  
19 scholarship or the allowance or payment described in  
20 Section 529 of the Internal Revenue Code, received by  
21 the designated beneficiary to the extent the amount of  
22 the refund does not exceed the amount of the  
23 scholarship, allowance, or payment, or

24

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

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

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

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

17 SECTION 2. This act shall become effective November 1, 2021.

18  
19 58-1-6050 EK 12/23/20  
20  
21  
22  
23  
24