

# House Bill 2508

Sponsored by Representative BARNHART (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires applicant who does not select investment option when enrolling in Oregon 529 program for higher education expenses be enrolled in investment option that Oregon 529 Savings Board determines is most appropriate for greatest number of participants.

## A BILL FOR AN ACT

1  
2 Relating to Oregon 529 accounts for higher education expenses; creating new provisions; and  
3 amending ORS 178.335.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 178.335 is amended to read:

6 178.335. (1) An account owner may establish an account by **completing the appropriate plan**  
7 **application and** making an initial contribution to the Oregon 529 Savings Network in the name of  
8 the designated beneficiary. **An applicant must select from the investment options offered by a**  
9 **plan.** Once a contribution is made it becomes part of the network and subject to the provisions of  
10 ORS 178.300 to 178.355.

11 **(2) Notwithstanding subsection (1) of this section, to the extent allowed by federal law,**  
12 **if an applicant does not select from the investment options offered by a plan, the applicant**  
13 **shall be enrolled in the investment option that the Oregon 529 Savings Board determines is**  
14 **most appropriate for the greatest number of participants. The board may delegate responsi-**  
15 **bility for making the determination under this subsection to a person designated by the**  
16 **board.**

17 [(2)] **(3)** Any person may make a contribution to an account once an account is opened.

18 [(3)] **(4)** Contributions to an account shall be made only in cash and may be deposited as pro-  
19 vided in ORS 305.796.

20 [(4)] **(5)** Total contributions to all accounts established on behalf of a particular beneficiary may  
21 not exceed those reasonably necessary to provide for the qualified higher education expenses of the  
22 designated beneficiary. The [*Oregon 529 Savings*] board shall establish maximum contribution limits  
23 applicable to network accounts and shall require the provision of any information from the account  
24 owner and the designated beneficiary that the board deems necessary to establish these limits.

25 [(5)] **(6)** Separate records and accounting shall be required for each account and reports shall  
26 be made no less frequently than annually to the account owner.

27 [(6)] **(7)** The board may collect application, account or administrative fees to defray the costs  
28 of the network.

29 [(7)] **(8)** This section applies only to accounts established for qualified higher education ex-  
30 penses.

31 **SECTION 2.** The amendments to ORS 178.335 by section 1 of this 2017 Act apply to ap-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 **plications made on or after the effective date of this 2017 Act.**

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