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**PROPOSED REGULATION OF THE OFFICE
OF THE STATE TREASURER**

CHAPTER 353B - COLLEGE SAVINGS PLANS OF NEVADA

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NEVADA HIGHER EDUCATION PREPAID TUITION PROGRAM

General Provisions

NAC 353B.010 Definitions. (NRS 353B.090) As used in NAC 353B.010 to 353B.510, inclusive, unless the context otherwise requires, the words and terms defined in NRS 353B.030 to 353B.070, inclusive, and NAC 353B.020 to 353B.090, inclusive, have the meanings ascribed to them in those sections.

NAC 353B.020 “Contract” defined. (NRS 353B.090) “Contract” means a prepaid tuition contract, consisting of the provisions of an application for enrollment in the program and a master agreement and schedule for participation and payment provided by the board.

NAC 353B.030 “Contractual plan” defined. (NRS 353B.090) “Contractual plan” means an option set forth in NAC 353B.150.

NAC 353B.040 “Date of matriculation” defined. (NRS 353B.090) “Date of matriculation” means the year that a qualified beneficiary commences his attendance at a postsecondary educational institution.

NAC 353B.050 “Eligible school” defined. (NRS 353B.090, 353B.100) “Eligible school” means a school described in paragraph (g) of subsection 3 of NRS 353B.100. For the purposes of that paragraph, the board will construe the term “accredited” to mean that a school has been accredited as a postsecondary educational institution by an accrediting body recognized by the United States Department of Education.

NAC 353B.060 “Program” defined. (NRS 353B.090) “Program” means the program for the prepayment of tuition established pursuant to NRS 353B.010 to 353B.190, inclusive, and NAC 353B.010 to 353B.510, inclusive.

NAC 353B.070 “State community college” defined. (NRS 353B.090) “State community college” means:

1. The Community College of Southern Nevada;
2. Western Nevada Community College;
3. Truckee Meadows Community College; or
4. Great Basin College.

NAC 353B.080 “State university” defined. (NRS 353B.090) “State university” means:

1. The University of Nevada, Reno; or
2. The University of Nevada, Las Vegas.

NAC 353B.090 “Tuition” defined. (NRS 353B.090) “Tuition” means fees required for the enrollment of a full-time student into an eligible school, except for any amounts charged:

1. To nonresident students only;

2. As fines, application fees, entrance fees, parking fees, *technology fees*, athletic fees or studio fees, laboratory fees or other fees imposed for specific courses, whether or not charged to all students; and
3. For books, supplies, room or board, whether or not charged to all students.

Enrollment and Administration

NAC 353B.150 Options for institution of higher education; number of semester hours for which contract may be made. (NRS 353B.090)

1. A contract may provide for payment from the trust fund of the amount of tuition required for the enrollment of a qualified beneficiary into:

(a) A state community college in sufficient classes for a student to earn 60 semester hours of credit;

(b) A state:

(1) Community college in sufficient classes for a student to earn 60 semester hours of credit; and

(2) ~~U~~~~H~~ university in sufficient classes for a student to earn 60 semester hours of credit; or

(c) A state university in sufficient classes for a student:

(1) To earn 60 semester hours of credit; or

(2) To earn 120 semester hours of credit.

2. As used in this section, “classes” means classes pursuant to which a student may earn an associate’s degree in 2 years of study or a bachelor’s degree in 4 years of study.

NAC 353B.160 Restrictions on payment of tuition and other amounts charged for enrollment. (NRS 353B.090)

1. Except as otherwise provided in subsection 2, a contract may not authorize the payment of:

(a) Tuition for:

(1) More than one qualified beneficiary; or

(2) A person who is designated as a qualified beneficiary for another contract; or

(b) Except for the amount of tuition authorized pursuant to [NAC 353B.150](#), any other amounts charged for the enrollment of a qualified beneficiary into an eligible school.

2. Two contracts may authorize the payment of tuition for a person who is designated as a qualified beneficiary for both contracts if both contracts are in the amount of tuition described in subparagraph (1) of paragraph (c) of subsection 1 of [NAC 353B.150](#).

NAC 353B.170 Requirements for purchaser and qualified beneficiary. (NRS 353B.090)

1. The purchaser of a contract may be any person or legal entity other than the qualified beneficiary designated for the contract.

2. At the time of enrollment in the program, a qualified beneficiary must not yet have:

(a) Completed the ninth grade of school; or

(b) Attained the age of 19 years.

3. The purchaser of a contract or the qualified beneficiary must be a resident of this state at the time of enrollment in the program, or the purchaser must hold a degree or certificate from a state university or state community college.

NAC 353B.180 Application: Contents; fee; late application; copy of contract. (NRS 353B.090)

1. A person who desires to enter into a contract must submit to the board an application for enrollment in the program, on a form provided by the board, and a fee of \$100 ~~60~~ for processing the application. The application must include:

- (a) The expected date of matriculation of the qualified beneficiary;
- (b) The desired contractual plan; and
- (c) Any other relevant information requested by the board.

2. The board may accept an application for enrollment in the program which is received after the appropriate dates for enrollment established pursuant to NAC 353B.200, but not later than 60 days before the dates established pursuant to that section for enrollment during the next year, if the purchaser pays, in addition to the fee for processing the application:

(a) The amount the board determines would have been due if the application had been submitted on an appropriate date; and

(b) Any additional sum the board determines to be necessary to ensure the actuarial soundness of the trust fund.

3. After processing an application for enrollment in the program, the board will *send* ~~mail~~ a copy of the contract to the purchaser.

NAC 353B.190 Designation of legal successor. (NRS 353B.090) An applicant for enrollment in the program or a purchaser may submit to the board a written designation of a person to serve as his legal successor for the purposes of the contract in the event that he dies before the contract is discharged. A person so designated:

1. Must not be the qualified beneficiary for the contract; and
2. May request and receive from the board any information regarding the contract, but may exercise no other rights regarding the contract during the lifetime of the purchaser.

NAC 353B.200 Board to establish and give public notice of dates for enrollment and of certain rates. (NRS 353B.090) The board will annually:

1. Establish:
 - (a) Guaranteed rates for the prepayment of tuition pursuant to a contract;
 - (b) Specific dates for enrollment in the program;
 - (c) A rate of interest for the provision of any refunds pursuant to NAC 353B.010 to 353B.510, inclusive, of payments received during the immediately preceding year, which must be based upon the net return on the investment of money in the trust fund during that year; and
 - (d) A rate of discount for the payment of the remaining balance of a contract in a lump sum pursuant to NAC 353B.360; and
2. Provide public notice of those rates and dates, either separately or together, by posting a copy of the notice at the principal office of the board and at not less than three other separate, prominent places within this state.

NAC 353B.210 Provision of benefits. (NRS 353B.090)

1. The board will not provide any benefits pursuant to a contract:
 - (a) Earlier than 2 years after the date the first payment is due from the purchaser pursuant to the contract.
 - (b) Until:

(1) The purchaser has paid the entire amount due pursuant to the contract, including any outstanding fees and penalties; and

(2) The board has received:

(I) The social security number of the qualified beneficiary;

(II) If the qualified beneficiary enrolls in an eligible school that is not a member of the system, at least 60 days' notice of that enrollment; and

(III) Any other information relating to the contract requested by the board.

(c) Earlier than the expected date of matriculation of the qualified beneficiary, as specified pursuant to [NAC 353B.180](#) or [353B.310](#), except that the board may allow the commencement of those benefits not more than 2 years before that date if the qualified beneficiary *is a senior in* ~~high school and enrolls into an eligible school before that date.~~

(d) Later than 10 years, excluding any period during which the qualified beneficiary is on active duty in the Armed Services of the United States, after the expected date of matriculation of the qualified beneficiary, as specified pursuant to [NAC 353B.180](#) or [353B.310](#).

(e) If the provision of benefits does not commence before the qualified beneficiary attains the age of 30 years plus any period during which the qualified beneficiary was on active duty in the Armed Services of the United States.

2. If any benefits cannot be provided pursuant to a contract as a result of the provisions of paragraph (d) or (e) of subsection 1, the board may terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#).

Amendment of Contracts

NAC 353B.300 Conditions for change in contractual plan. ([NRS 353B.090](#)) The board will amend a contract to change the contractual plan if:

1. The purchaser requests the change, submits the required fee and pays any additional sum the board determines to be necessary, as a result of the change, to ensure the actuarial soundness of the trust fund;

2. No benefits have been paid pursuant to the contract;

3. The purchaser is not in default pursuant to [NAC 353B.370](#); and

4. The contract has not been terminated.

NAC 353B.310 Conditions for change in designation of qualified beneficiary. ([NRS 353B.090](#)) The board will amend a contract to change the designation of the qualified beneficiary to a person within the immediate family of the existing qualified beneficiary if:

1. The purchaser requests the change and submits to the board:

(a) The required fee;

(b) The name and date of birth of the proposed qualified beneficiary;

(c) The expected date of matriculation of the proposed qualified beneficiary; and

(d) Any other relevant information requested by the board;

2. Either:

(a) The age of the proposed qualified beneficiary is less than the age of the existing qualified beneficiary plus 3 years; or

- (b) The purchaser pays any additional sum the board determines to be necessary, as a result of the change, to ensure the actuarial soundness of the trust fund;
- 3. No benefits have been paid pursuant to the contract;
- 4. The purchaser is not in default pursuant to [NAC 353B.370](#); and
- 5. The contract has not been terminated.

Remittance of Payments

NAC 353B.350 Options; method of payment. ([NRS 353B.090](#)) A contract may provide for payment by the purchaser:

- 1. By:
 - (a) Remittance in a lump sum; or
 - (b) Remittances on a monthly basis:
 - (1) For 60 months; or
 - (2) From the time of enrollment in the program until the qualified beneficiary graduates from high school; and
- 2. Pursuant to:
 - (a) An invoice;
 - (b) Monthly coupons;
 - (c) Payroll deductions;
 - (d) Automatic deductions from a specified account at a financial institution; or
 - (e) Any other method approved by the board.

NAC 353B.360 Payment of remaining balance in lump sum. ([NRS 353B.090](#)) Upon the request of a purchaser and receipt of the required fee, the board will allow the purchaser to pay in a lump sum the remaining balance, if any, of the total amount due pursuant to a contract that provides for the remittance of payments on a monthly basis, unless:

- 1. The purchaser is in default pursuant to [NAC 353B.370](#); or
- 2. The contract has been terminated.

NAC 353B.370 Remittance of payment pursuant to contract; failure to remit or delinquent payment. ([NRS 353B.090](#))

1. A purchaser must remit payments pursuant to a contract on the dates and in the amounts set forth in the schedule for participation and payment provided to the purchaser by the board.

2. If a purchaser fails to remit:

(a) A payment required pursuant to a contract within 30 days after the date the payment is due, the purchaser shall be deemed to be in default.

(b) The first payment required pursuant to a contract within 90 days after the date the payment is due, the board may terminate the contract.

(c) All past due payments required pursuant to a contract within 180 days after the date the purchaser is deemed to be in default pursuant to paragraph (a), the board may terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#).

Termination of Contracts; Refunds

NAC 353B.400 Failure to provide information requested by board. (NRS 353B.090) If a purchaser fails to provide any information relating to a contract within a reasonable period after receiving a request from the board for the provision of that information, the board may terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#).

NAC 353B.410 Fraudulent misrepresentation or omission of information. (NRS 353B.090) If the board determines that a purchaser has fraudulently misrepresented or omitted any information relating to a contract requested by the board or otherwise required pursuant to [NAC 353B.010](#) to [353B.510](#), inclusive, the board will terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#).

NAC 353B.420 Death of purchaser. (NRS 353B.090) Upon the receipt of a written request signed by a person designated pursuant to [NAC 353B.190](#) or, in the absence of such a designation, by the representative of the estate of the purchaser, and such documentation as the board deems adequate to prove that a purchaser has died, the board *will*:

1. ~~[1.]~~ Terminate the contract and provide to the requester, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#); *or*

If the requester submits the required fee, amend the contract to change the identity of the purchaser. ~~;~~

2. ~~[2. If the requester submits the required fee, amend the contract to change the identity of the purchaser.]~~

NAC 353B.430 Death or disability of qualified beneficiary. (NRS 353B.090) Upon the receipt of a written request signed by a purchaser and such documentation as the board deems adequate to prove that the qualified beneficiary has died or become totally disabled, the board will terminate the contract and provide to the purchaser, after deducting the total amount of any fees ~~and penalties~~ imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to [NAC 353B.200](#).

NAC 353B.440 Award of scholarship to qualified beneficiary that duplicates benefits. (NRS 353B.090)

1. Upon the receipt of a written request signed by a purchaser and such documentation as the board deems adequate to prove that the qualified beneficiary has been awarded a scholarship to attend an eligible school which:

(a) Duplicates all the benefits to be provided pursuant to the contract, the board will:

(1) Amend the contract to change the identity of the qualified beneficiary and waive the required fee for the change; or

(2) Terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a *present value* refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to NAC 353B.200~~]; or~~

~~—(b) Duplicates a portion of the benefits to be provided pursuant to the contract, the board will:~~

~~—(1) Provide the benefits pursuant to the contract that are not duplicated by the scholarship and pay to the purchaser the amount of the benefits that are duplicated by the scholarship; or~~

~~—(2) Terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the balance of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to NAC 353B.200.]~~

2. As used in this section, “scholarship” does not include a loan.

NAC 353B.450 Request by purchaser to terminate contract. (NRS 353B.090)

1. Upon the receipt of a written request signed by a purchaser to terminate the contract for any reason other than as provided in NAC 353B.430 and 353B.440, the board will terminate the contract and provide to the purchaser, after deducting the total amount of any fees and penalties imposed pursuant to the contract and any payments from the trust fund made on behalf of the qualified beneficiary, a refund of the present value [balance] of the amount paid by the purchaser pursuant to the contract, with interest on that balance in accordance with the applicable rates established pursuant to NAC 353B.200. The board will disburse (as promptly as practicable following the end of each calendar month) a refund to any purchaser who agrees to accept the present value of the purchaser’s interest in the Trust Fund as of the last business day of the calendar month so ended, in full satisfaction of a refund claim.

2. If the contract was purchased prior to February 1, 2003, the purchaser is provided the present value option or an option to wait until the market value of the purchaser’s interest in the Higher Education Tuition Trust Fund is sufficient to provide 100% refund of their contract payments.

NAC 353B.460 Request by purchaser for refund. (NRS 353B.090) Upon the receipt of a written *refund* request *on a form approved by the board*, signed by a purchaser, the board will provide to the purchaser:

1. A *present value* refund of any amount received for a contract which:

(a) Was paid before the date the amount was due pursuant to the contract; or

(b) Exceeds the amount due pursuant to the contract, including any overpayments resulting from an amendment of the terms of the contract pursuant to NAC 353B.010 to 353B.510, inclusive; and

2. Interest on that amount in accordance with the applicable rates established pursuant to [NAC 353B.200](#), unless the purchaser is in default pursuant to [NAC 353B.370](#) or payment of the refund will cause the purchaser to become in default.

Fees and Penalties

NAC 353B.500 Fees. ([NRS 353B.090](#)) A contract may require the purchaser to pay:

1. For a change in:
 - (a) The amount, time or method of payment;
 - (b) The contractual plan;
 - (c) The identity of the purchaser; *or*
 - (d) ~~[The identity of a person designated pursuant to [NAC 353B.190](#); or~~
~~(e)]~~ The designation of the qualified beneficiary,a fee of \$20.
2. For the replacement of any lost or destroyed documents, a fee of \$7.
3. For the payment of tuition to an eligible school other than a state community college or state university, a fee of \$25 for *the first* ~~[each]~~ quarter or semester for which tuition is paid. *An additional \$25 fee will be charged for any subsequent changes to other out-of-state schools.*

NAC 353B.510 Penalties for delinquent payment or termination of contract. ([NRS 353B.090](#)) A contract may require the purchaser to pay:

1. If *any payment* ~~[check]~~ is returned for insufficient funds, a penalty of \$20 ~~[15]~~.
2. If a monthly remittance is not received within 15 days after the date due, a penalty of \$15.
3. If a remittance by a lump sum is not received within:
 - (a) Fifteen days after the date due, a penalty of \$15; and
 - (b) Forty-five days after the date due, a penalty of 1 percent of the total amount due, including the amount of all outstanding fees and penalties imposed pursuant to the contract, for each period of 30 days or portion thereof that passes after the period described in paragraph (a) until:
 - (1) The total amount due is paid; or
 - (2) The contract is terminated,whichever occurs earlier.
4. If a contract is terminated pursuant to [NAC 353B.410](#), a penalty of \$100 ~~[250 or the total amount paid by the purchaser pursuant to the contract, excluding the amount of any fees and other penalties paid pursuant to the contract, whichever is less.]~~
5. If a contract is terminated pursuant to [NAC 353B.370](#), [353B.400](#), subparagraph (2) of paragraph (b) of subsection 1 of [NAC 353B.440](#) or [NAC 353B.450](#), a penalty of ~~[\$150 or 5]~~10 percent of the *earnings will be due to the United States Internal Revenue Service* ~~[total amount paid by the purchaser pursuant to the contract, excluding the amount of any fees and other penalties paid pursuant to the contract, whichever is less.]~~
- ~~6. In addition to any penalties imposed in accordance with subsection 4 or 5, for the termination of a contract pursuant to which the purchaser was required to pay by:
 - (a) Remittances on a monthly basis, a contract maintenance fee of \$3 for each calendar month or portion thereof during which the purchase was enrolled in the program.
 - (b) Remittance in a lump sum, a penalty of \$20].~~

NEVADA COLLEGE SAVINGS PROGRAM

General Provisions

NAC 353B.550 Definitions. (NRS 353B.310) As used in NAC 353B.550 to 353B.725, inclusive, unless the context otherwise requires, the words and terms defined in NAC 353B.555 to 353B.595, inclusive, have the meanings ascribed to them in those sections.

NAC 353B.555 “Account owner” defined. (NRS 353B.310) “Account owner” means a person who:

1. Is legally able to contract under the laws of this state;
2. Meets all federal and state requirements governing the program; and
3. Establishes an account under the program.

NAC 353B.560 “Business day” defined. (NRS 353B.310) “Business day” means any weekday on which:

1. The New York Stock Exchange is open; and
2. Commercial banks are permitted to be open for business in this state.

NAC 353B.565 “Designated beneficiary” defined. (NRS 353B.310) “Designated beneficiary” has the meaning ascribed to it in 26 U.S.C. § 529.

NAC 353B.570 “Member of the family” defined. (NRS 353B.310) “Member of the family” has the meaning ascribed to it in 26 U.S.C. § 529.

NAC 353B.575 “Participation agreement” defined. (NRS 353B.310) “Participation agreement” means a participation agreement and an account application executed by an account owner and the program manager which:

1. Sets forth the terms and conditions governing an account; and
2. Is in the form approved by the state treasurer.

NAC 353B.580 “Person” defined. (NRS 353B.310) “Person” has the meaning ascribed to it in 26 U.S.C. § 7701(a).

NAC 353B.585 “Program” defined. (NRS 353B.310) “Program” means the Nevada college savings program, which is a qualified state tuition program pursuant to 26 U.S.C. § 529 that may be marketed as “America’s College Savings Plan” or under any other name.

NAC 353B.590 “Program manager” defined. (NRS 353B.310) “Program manager” means the private entity that has contracted with the board to serve as the administrator, marketing agent and investment manager of the program.

NAC 353B.595 “Qualified higher education expenses” defined. (NRS 353B.310) “Qualified higher education expenses” has the meaning ascribed to it in 26 U.S.C. § 529.

Administration of Accounts

NAC 353B.600 Eligibility to be account owner or designated beneficiary; multiple accounts for designated beneficiary. (NRS 353B.310)

1. There are no restrictions on the age of a designated beneficiary or any required relationship between an account owner and the designated beneficiary of the account.
2. There may be only one account owner and one designated beneficiary for an account at any time.
3. There is no limit on the number of accounts that may be opened for a designated beneficiary by one or more account owners.

NAC 353B.605 Designation of successor account owner; change of ownership of account. (NRS 353B.310)

1. An account owner may designate a successor account owner who becomes the new account owner automatically upon the death of the designating account owner. An account owner, in the account application or at any other time, may make such a designation by submitting to the program manager a written designation of a successor account owner containing the information required by the program manager. A designation of a successor account owner is not effective until received by the program manager.
2. If a change in the ownership of an account is required by a court order directing the change of ownership, or by an affidavit or declaration that is recognized under applicable law as requiring the transfer of ownership upon death without a court order, the change of ownership of the account, except as otherwise required by law, is not effective until the program manager receives the court order, affidavit or declaration requiring the change and the change of ownership is recorded in the records of the program manager.

NAC 353B.610 Change of designated beneficiary. (NRS 353B.310) An account owner may change the designated beneficiary of the account if the new designated beneficiary is a member of the family of the current designated beneficiary. A change of designated beneficiary is not effective until the program manager receives a written request containing the information required by the program manager and the change is recorded in the records of the program manager.

NAC 353B.615 Opening of account; selection of investment option; reassignment of accounts under age-based investment option. (NRS 353B.310)

1. To open an account, an applicant must submit to the program manager a completed application and:
 - (a) An initial contribution; or
 - (b) A selection of one of the following methods of contribution:
 - (1) Electronic funds transfer;
 - (2) Automatic investment plan; or
 - (3) Payroll deduction.
2. The acceptance by the program manager for processing of an application and an initial contribution or the selection of a method of contribution does not constitute the agreement of the program manager to open an account.
3. An applicant must select an investment option in which all contributions to the account will be invested. After an account has been opened, the account owner may not change the

investment option for the account, except as permitted by 26 U.S.C. § 529 and any regulations, rulings, announcements or other guidance issued pursuant thereto.

4. Under the age-based investment option, reassignment of accounts to different “Years-to-College” portfolios will, with regard to those accounts in which the age of the designated beneficiary makes such reassignment appropriate, occur on the first business day of August each year.

NAC 353B.620 Conditions under which program manager may refuse to open account. (NRS 353B.310) The program manager may, without limitation, refuse to open an account if:

1. The applicant is not eligible to be an account owner.
2. The applicant has not provided all the information required by the participation agreement.
3. The total account balance of all accounts for the same designated beneficiary in the program and the Nevada higher education prepaid tuition program is greater than or equal to the maximum aggregate balance for the accounts of a designated beneficiary established by the board pursuant to [NAC 353B.655](#). If more than one applicant has submitted an application and an initial contribution or selection of contribution method to open an account for the same designated beneficiary, and all contributions, together with the total account balance of all existing accounts for that designated beneficiary, would exceed the maximum aggregate balance for the accounts of a designated beneficiary established by the board pursuant to [NAC 353B.655](#), the program manager will accept applications to open accounts for the designated beneficiary in the order of their receipt until the maximum limit has been reached.
4. The execution of a participation agreement between the program manager and the applicant violates any federal or state law.
5. The board determines that, for any other reason, it would be advisable to limit the number of accounts in the program.

NAC 353B.625 Participation agreement: Generally. (NRS 353B.310) An account owner must execute a participation agreement for each account by completing and signing an account application. The participation agreement sets forth the terms and conditions under which the account owner participates in the program.

NAC 353B.630 Participation agreement: Required provisions. (NRS 353B.310) Provisions substantially similar to the following will be included in each participation agreement:

1. Any controversy or claim arising out of or relating to this participation agreement, or the breach, termination or validity thereof, must be settled by arbitration administered by the American Arbitration Association in accordance with its rules for commercial arbitration, and judgment on the award rendered in the arbitration may be entered in any court of competent jurisdiction.
2. By signing this participation agreement, the parties agree as follows:
 - (a) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the American Arbitration Association.
 - (b) Arbitration awards are generally final and binding, and the ability of a party to have a court reverse or modify an arbitration award is very limited.

(c) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.

(d) The arbitrators do not have to explain the reasons for their award.

(e) The rules of the American Arbitration Association may impose time limits for bringing a claim in arbitration.

NAC 353B.635 Maintenance of separate records and accounting for each account; reports to account owners. (NRS 353B.310) Separate records and accounting will be maintained for each account established under the program. Reports will be issued to each account owner at least annually.

NAC 353B.640 Prohibition on use of interest as security for loan. (NRS 353B.310) No interest in an account may be used as security for a loan.

Contributions to Accounts

NAC 353B.645 Authority to make contributions; minimum amounts; refusal of certain contributions. (NRS 353B.310)

1. Any person may make a contribution to an existing account.
2. The board will establish the minimum amounts for initial contributions and additional contributions to an account and will, from time to time, revise those amounts as it determines necessary.
3. The board will refuse contributions that it determines constitute an abuse of the program.

NAC 353B.650 Form of contributions. (NRS 353B.310)

1. Contributions may be made in cash only.
2. As used in this section, “cash” includes checks, money orders, electronic funds transfers, whether through payroll deduction, an automatic contribution plan or otherwise, and such other methods of payment as determined by the program manager and as permitted under applicable law. The term does not include securities, property, or charges on debit or credit cards.

NAC 353B.655 Limitation on contributions; maximum aggregate balance for designated beneficiary; return of excess contributions. (NRS 353B.310)

1. A contribution to an account established for a designated beneficiary will not be accepted to the extent the contribution would cause the total account balance of all accounts for the designated beneficiary to exceed the amount necessary to provide for the qualified higher education expenses of the designated beneficiary.
2. The board will establish the maximum aggregate balance for the accounts of a designated beneficiary and will, from time to time, revise the maximum aggregate balance as it determines necessary.
3. All contributions that would cause the total account balance of all accounts for a designated beneficiary to exceed the maximum aggregate balance established by the board will be rejected and returned to the contributors in order of receipt. The balance in all accounts for that designated beneficiary under the Nevada higher education prepaid tuition program will be included in calculating whether the maximum aggregate balance has been exceeded.

NAC 353B.660 Rollover distributions from qualified state tuition program of another state. (NRS 353B.310)

1. Except as otherwise provided in subsection 2, if a qualified state tuition program of another state allows rollover distributions, an account owner may deposit all or part of the money from an account in such a program to a new account in the Nevada college savings program for the same designated beneficiary or for a different designated beneficiary who is a member of the family of the designated beneficiary of the account from which the money is transferred.

2. A rollover distribution pursuant to subsection 1 for the same designated beneficiary will be permitted only once in any 12-month period or as otherwise permitted by 26 U.S.C. § 529 and any regulations, rulings, announcements or other guidance issued pursuant thereto.

3. To set up a new account in which to deposit a rollover distribution pursuant to this section, an applicant must, in addition to complying with the requirements of [NAC 353B.550](#) to [353B.725](#), inclusive:

(a) Submit to the program manager either:

(1) A rollover distribution form executed by the account owner that authorizes the distribution of money from an account in the qualified state tuition program of another state; or

(2) If the rollover distribution will not be deposited directly into the new account from an account in the qualified state tuition program of another state, documentation satisfactory to the program manager that the rollover distribution will be deposited in the new account within 60 days after distribution from an account in the qualified state tuition program of another state.

(b) State for the new account the amount of the rollover distribution that constitutes contributions and the amount of the rollover distribution that constitutes earnings.

4. The entire amount of a rollover distribution from an account in the qualified state tuition program of another state will be counted for purposes of calculating the total account balance of all accounts for a designated beneficiary. If the rollover distribution that is deposited in the new account causes the total account balance of all accounts for a designated beneficiary to exceed the maximum aggregate balance for the accounts of a designated beneficiary established by the board pursuant to [NAC 353B.655](#), the excess money will be rejected and returned.

Distributions From and Termination of Accounts

NAC 353B.665 Distributions: Procedure; classification; restriction. (NRS 353B.310)

1. An account owner may request a distribution of money from the account by submitting to the program manager not less than 3 business days before the date of the requested distribution a completed distribution request form and such other information as required by the board or the program manager. The program manager will begin processing properly completed distribution request forms upon receipt. A designated beneficiary may not withdraw money from an account.

2. A distribution from an account will be classified as a:

(a) Nonqualified withdrawal;

(b) Qualified withdrawal;

(c) Qualified withdrawal because of the death or disability of, or a scholarship awarded to, a beneficiary; or

(d) Rollover distribution.

3. A distribution may only be arranged by the account owner and only in accordance with [NAC 353B.665](#) to [353B.695](#), inclusive.

NAC 353B.670 Nonqualified withdrawals subject to federal tax. (NRS 353B.310) A distribution from an account for any reason other than a qualified withdrawal, a qualified withdrawal because of the death or disability of, or a scholarship awarded to, a beneficiary, or a rollover distribution is subject to federal tax on the portion of the distribution attributable to investment gains in the account. All applicable withholding requirements for federal taxes will be followed.

NAC 353B.675 Qualified withdrawals. (NRS 353B.310)

1. A qualified withdrawal is a withdrawal of money from an account to pay for the qualified higher education expenses of the designated beneficiary, or because of death, disability or scholarship, as permitted by 26 U.S.C. § 529 or any regulations, rulings, announcements or other guidance issued pursuant thereto. An account owner may request a qualified withdrawal by submitting to a program manager a completed distribution request form.

2. When requesting a qualified withdrawal, the account owner, and the designated beneficiary if required by the program manager, must sign the distribution request form and provide such additional information as may be requested by the program manager.

NAC 353B.680 Refund of all or part of qualified distribution. (NRS 353B.310) A refund of all or part of a qualified distribution that is used to pay for qualified higher education expenses of a designated beneficiary must be paid by the higher education institution to the program manager for credit to the appropriate accounts for that designated beneficiary.

NAC 353B.685 Certification required for certain withdrawals. (NRS 353B.310) Before a withdrawal from an account because of the death or disability of the designated beneficiary of the account, or because the designated beneficiary has received a scholarship to be applied toward attendance at a higher education institution, the account owner must provide to the program manager certification by the account owner that the distribution is because of the death or disability of the designated beneficiary or because the designated beneficiary has received a scholarship, together with such additional information as may be requested by the program manager.

NAC 353B.690 Rollover distributions to account in qualified state tuition program of another state or to another account in program. (NRS 353B.310)

1. Except as otherwise provided in subsection 2, if a qualified state tuition program of another state allows rollover contributions, an account owner may authorize a direct rollover distribution from an account in the program to an account in the qualified state tuition program of the other state for the same designated beneficiary or for a different designated beneficiary who is a member of the family of the designated beneficiary of the account in the program out of which the rollover distribution is being made.

2. A rollover distribution pursuant to subsection 1 for the same designated beneficiary will be permitted only once in any 12-month period or as otherwise permitted by 26 U.S.C. § 529 and any regulations, rulings, announcements or other guidance issued pursuant thereto.

3. An account owner may authorize a direct rollover distribution from an account in the program to another account in the program so long as the designated beneficiary of the other account is a member of the family of the designated beneficiary of the account out of which the rollover distribution is being made.

4. When authorizing a rollover distribution, the account owner must complete the forms and make such disclosures of financial information as required by the program manager and the board. If the deposit of a rollover distribution in an account would cause the total account balance of all accounts for the designated beneficiary to exceed the maximum contribution limit established by the board, the excess deposit will be rejected and returned.

NAC 353B.695 Termination: Conditions; notice; nonqualified distribution; qualified distribution. (NRS 353B.310)

1. An account may be terminated if the account has a balance of less than \$1,000 and no contributions or withdrawals have been made within the preceding 2 calendar years. Before the termination of an account, the account owner will be given such notice as the board determines adequate and will be given an opportunity to prevent the termination of the account by making an additional contribution or a qualified withdrawal within the period specified by the program manager. Upon the involuntary termination of an account, the account balance will be paid to the account owner as a nonqualified distribution.

2. An account owner may request a qualified distribution of the remaining balance of an account upon termination. Such a request will be honored following receipt by the program manager of all information requested by the program manager.

Fees

NAC 353B.700 Fees to support continued operation of program. (NRS 353B.310) The board may charge fees based on the total assets and accounts of the program to support the continued operation of the program. These fees will accrue daily and must be remitted by the program manager as directed by the board.

NAC 353B.705 Other fees. (NRS 353B.310) The program manager may charge such fees as are agreed to by the program manager and the board.

Miscellaneous Provisions