

SENATE, No. 806

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Co-Sponsored by:

Senators Brown and T.Kean

SYNOPSIS

Provides that New Jersey Better Educational Savings Trust (NJBEST) Program scholarship may be awarded in any semester of attendance or enrollment at institution of higher education in State.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the New Jersey Better Educational Savings
2 Trust (NJBEST) Program and amending N.J.S.18A:71B-42.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. N.J.S.18A:71B-42 is amended to read as follows:

8 1. a. An amount of no less than \$500 shall be provided by the
9 State for the qualified higher education expenses of a designated
10 beneficiary at the time of a qualified withdrawal provided that:

11 (1) the contributor demonstrates, to the satisfaction of the
12 authority, that the contributor participated in the program for at
13 least four years by making a qualifying minimum initial deposit or
14 qualifying minimum annual contributions, or both, as shall be
15 determined by the authority, for a designated beneficiary;

16 (2) the designated beneficiary demonstrates, to the satisfaction
17 of the authority, attendance or enrollment in a higher education
18 institution in this State~~],~~ at the time of initial attendance or
19 enrollment in the higher education institution~~];~~ and

20 (3) either the contributor, if an individual, or the designated
21 beneficiary demonstrates, to the satisfaction of the authority, that
22 the contributor or designated beneficiary is a New Jersey resident.

23 b. The amount provided under subsection a. of this section
24 shall meet the requirements of a qualified scholarship within the
25 meaning of section 117 of the federal Internal Revenue Code of
26 1986, 26 U.S.C.s.117, for a designated beneficiary satisfying the
27 requirements of subsection a. of this section.

28 c. A designated beneficiary shall not receive more than one
29 State scholarship provided pursuant to subsection a. of this section.
30 (cf: N.J.S.18A:71B-42)

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32 2. This act shall take effect immediately.

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STATEMENT

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37 The New Jersey Better Educational Savings Trust (NJBEST)
38 Program provides families with the opportunity to save for their
39 child's higher education and make tax-free withdrawals for
40 qualified education expenses. For qualified beneficiaries, NJBEST
41 provides a one-time scholarship of no less than \$500 at the time of a
42 beneficiary's initial attendance or enrollment at a New Jersey
43 institution.

44 This bill provides that the scholarship may be awarded to a
45 student in any semester of attendance or enrollment. Under the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

S806 CUNNINGHAM

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1 current statutory language, the Higher Education Student Assistance
2 Authority has had to deny scholarships to students who did not
3 realize that they had to apply in their first semester of enrollment.
4 This bill will correct that problem and ensure that eligible students
5 receive the scholarship to which they are entitled.