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.

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

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

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

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

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

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

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

   c. A designated beneficiary shall not receive more than one State scholarship provided pursuant to subsection a. of this section.

   (cf: N.J.S.18A:71B-42)

2. This act shall take effect immediately.

STATEMENT

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

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