

1 SB132  
2 209498-2  
3 By Senator Givhan  
4 RFD: Governmental Affairs  
5 First Read: 02-FEB-21

1 SB132

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4 ENROLLED, An Act,

5 To amend Sections 16-33C-3 and 16-33C-10, Code of  
6 Alabama 1975, relating to the Wallace-Folsom Savings  
7 Investment Plan Act; to revise the name of the ACES Program  
8 from the Alabama College Education Savings Program to the  
9 Alabama Comprehensive Education Savings Program; and to  
10 clarify the meanings of certain terms pursuant to federal law.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Sections 16-33C-3 and 16-33C-10 of the  
13 Code of Alabama 1975, are amended to read as follows:

14 "§16-33C-3.

15 "The following terms as used in this chapter shall  
16 have the meanings ascribed to them, unless the context clearly  
17 indicates otherwise:

18 "(1) ABLE PROGRAM. The Achieving a Better Life  
19 Experience Program established pursuant to this chapter and  
20 defined in Section 529A of the Internal Revenue Code of 1986,  
21 as amended, or other applicable federal law, to assist  
22 individuals and families to save private funds to support  
23 individuals with disabilities to maintain health,  
24 independence, and quality of life.

1           "(2) ABLE SAVINGS ACCOUNT. An individual ABLE trust  
2 fund account established by a contributor pursuant to this  
3 chapter to apply distributions from the account toward  
4 qualified disability expenses for an eligible designated  
5 beneficiary, both terms as defined in Section 529A of the  
6 Internal Revenue Code of 1986, as amended, or other applicable  
7 federal law.

8           "(3) ABLE TRUST FUND. The fiduciary trust fund  
9 established pursuant to this chapter comprised of separate and  
10 segregated ABLE savings accounts as established by savings  
11 agreements.

12           "(4) ACES ADMINISTRATIVE FUND. The ACES  
13 Administrative Fund created in Section 16-33C-10.

14           "(5) ACES PROGRAM. The Alabama ~~College~~ Comprehensive  
15 Education Savings Program, a qualified tuition program  
16 established pursuant to this chapter and as defined in Section  
17 529 of the Internal Revenue Code of 1986, as amended, or other  
18 applicable federal law, to assist individuals and families to  
19 save funds for the purpose of meeting the qualified higher  
20 education expenses of the designated beneficiary, as those  
21 terms are defined and used in Section 529 of the Internal  
22 Revenue Code of 1986, as amended, or other applicable federal  
23 law.

24           "(6) ACES SAVINGS ACCOUNT. An individual ACES  
25 account held in the ACES Trust Fund established by a

1 contributor pursuant to this chapter in order to apply  
2 distributions from the account toward qualified higher  
3 education expenses ~~at eligible educational institutions~~ for an  
4 eligible designated beneficiary, ~~with~~ as those terms ~~as~~ are  
5 defined in Section 529 of the Internal Revenue Code of 1986,  
6 as amended, or other applicable federal law.

7 "(7) ACES TRUST FUND. The fiduciary trust fund  
8 created in Section 16-33C-10.

9 "(8) CONTRIBUTOR. Any person who contributes money  
10 to an ACES Program savings account or an ABLE Program savings  
11 account established pursuant to this chapter on behalf of a  
12 designated beneficiary and who is listed as the owner of the  
13 savings account.

14 "(9) DESIGNATED BENEFICIARY. The eligible individual  
15 named as the beneficiary of an ABLE savings account, ACES  
16 savings account, or PACT contract established pursuant to this  
17 chapter.

18 "(10) LEGISLATURE. The Legislature of Alabama.

19 "(11) PACT ADMINISTRATIVE FUND. The PACT  
20 Administrative Fund created in subsection (c) of Section  
21 16-33C-6.

22 "(12) PACT BOARD. The board of directors and  
23 trustees of the PACT Trust Fund.

24 "(13) PACT CONTRACT. A contract entered into by the  
25 board and a participant in the PACT Program.

1           "(14) PACT PROGRAM. The Alabama Prepaid Affordable  
2 College Tuition Program created in subsection (a) of Section  
3 16-33C-6.

4           "(15) PACT TRUST FUND. The fiduciary trust fund  
5 created in subsection (b) of Section 16-33C-6.

6           "(16) PLAN. The Wallace-Folsom Savings Investment  
7 Plan established pursuant to this chapter that consists of the  
8 PACT Program, the ACES Program, and the ABLE Program.

9           "(17) PURCHASER. A person who is obligated to make  
10 contract payments in accordance with a PACT contract entered  
11 into pursuant to this chapter.

12           "(18) SAVINGS AGREEMENT. An agreement entered into  
13 between the Savings Board and a contributor establishing an  
14 ACES or ABLE savings account.

15           "(19) SAVINGS BOARD. The Board of Directors of the  
16 ABLE Program and ACES Program, and trustees of the ABLE Trust  
17 Fund and ACES Trust Fund.

18           "(20) STATE TREASURER. The State Treasurer of  
19 Alabama.

20           "§16-33C-10.

21           "(a) The ACES Program is established as one ~~college~~  
22 savings alternative under the plan whereby contributors open  
23 ACES savings accounts according to savings agreements for the  
24 payment of qualified higher education ~~costs~~ expenses for a  
25 designated beneficiary ~~at eligible educational institutions,~~

1 as those terms ~~as~~ are defined or used in Section 529 of the  
2 Internal Revenue Code of 1986, as amended, or other applicable  
3 federal law. The ACES Program includes the ACES Trust Fund,  
4 the ACES Administrative Fund, and the ACES Opportunity  
5 Enhancement Fund created pursuant to this chapter. The ACES  
6 Program may be marketed under a different name than ACES.

7 "(b) The ACES Trust Fund is hereby created and shall  
8 be comprised of separate ACES savings accounts held in  
9 segregated accounts as established by savings agreements.  
10 Funds contributed to the ACES savings accounts established  
11 pursuant to the ACES Program are held in trust by the Savings  
12 Board for the sole benefit of the contributor and designated  
13 beneficiary. Contributions which are received by the ACES  
14 Program from any public or private source, except those which  
15 are payments of administrative fees, shall be placed in the  
16 ACES Trust Fund.

17 "(c) The ACES Administrative Fund is hereby created  
18 as a separate fund within the State Treasurer's office for the  
19 purpose of administering the ACES Program. The ACES  
20 Administrative Fund shall accept, deposit, and disburse funds  
21 for the purpose of administering the ACES Program. All funds  
22 in the ACES Administrative Fund are hereby irrevocably pledged  
23 to the payment of the administrative costs of the ACES  
24 Program. Funds in the ACES Administrative Fund may be invested  
25 by the State Treasurer in any investment facility allowed by

1 this chapter. Any interest and earnings from the investment of  
2 funds in the ACES Administrative Fund shall be deposited to,  
3 and become a part of, the ACES Administrative Fund for use as  
4 authorized by this chapter. All funds in the ACES  
5 Administrative Fund at the end of each fiscal year of the  
6 State of Alabama shall remain in that administrative fund and  
7 be automatically carried forward and available to be  
8 appropriated by the Alabama Legislature for the administration  
9 of the ACES Program.

10 "(d) The State Treasurer is authorized to retain the  
11 services of one or more persons as staff members in order to  
12 implement and manage the ACES Program. Any expenses incurred  
13 shall be paid from the ACES Administrative Fund.

14 "(e) Property and income of the ACES Trust Fund,  
15 ACES Administrative Fund, and the ACES Opportunity Enhancement  
16 Fund shall be exempt from all taxation by the state and by all  
17 of its political subdivisions.

18 "(f) The ACES Opportunity Enhancement Fund is  
19 created as a separate fund within the State Treasurer's office  
20 for the purpose of enhancing and providing higher education  
21 opportunities and programs, as the Savings Board deems  
22 necessary and appropriate. The fund may receive contributions  
23 from individuals, private business entities, public  
24 corporations, and contractual agreements with service  
25 providers. The funds shall be utilized in the discretion and

1 solely at the direction of the Savings Board. The amounts on  
2 deposit in the fund shall not constitute property of the  
3 state, and the state shall have no claim or interest in them."

4 Section 2. This act shall become effective on the  
5 first day of the third month following its passage and  
6 approval by the Governor, or its otherwise becoming law.



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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB132  
Senate 02-MAR-21  
I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris,  
Secretary.

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House of Representatives  
Passed: 01-APR-21

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By: Senator Givhan