

ASSEMBLY BILL NO. 62—COMMITTEE ON
HEALTH AND HUMAN SERVICES

(ON BEHALF OF THE STATE TREASURER)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Health and Human Services

SUMMARY—Revises provisions relating to the Nevada ABLE Savings Program. (BDR 38-397)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to the Nevada ABLE Savings Program; revising provisions governing regulations adopted to carry out the Program; authorizing the State Treasurer to apply for and accept any gift, grant, donation, bequest or other source of money to carry out the Program; revising provisions governing the Endowment Account established in the State General Fund related to the Program; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Federal law provides for the establishment and maintenance of programs by
2 states known as ABLE programs, under which tax-advantaged savings accounts are
3 created for persons who have certain qualifying disabilities. Subject to certain
4 limitations in federal law, any person, including family members, may make a
5 contribution to such an account and any interest or other growth in the value of the
6 account and distributions taken from the account are tax free. Under federal law,
7 distributions from the account may only be used to pay expenses related to living a
8 life with a disability and may include such things as education, housing,
9 transportation, assistive technology, and employment training and support.
10 (Achieving a Better Life Experience Act of 2014, 26 U.S.C. § 529A) Existing state
11 law requires the State Treasurer to establish or otherwise ensure the establishment
12 of the Nevada ABLE Savings Program as a qualified program pursuant to 26
13 U.S.C. § 529A. (NRS 427A.882-427A.896)

14 Existing law authorizes the State Treasurer to adopt regulations to establish and
15 carry out the Nevada ABLE Savings Program. (NRS 427A.889) **Section 1** of this
16 bill specifically authorizes such regulations to include procedures for the
17 administration of the Nevada ABLE Savings Program, including: (1) a procedure



18 for enrolling in the Program; (2) procedures for a person to access information
19 regarding a savings trust account; (3) methods and incentives to encourage
20 contributions to a savings trust account; and (4) a procedure for distributions from a
21 savings trust account. **Section 1** also authorizes the State Treasurer to apply for and
22 accept any gift, grant, donation, bequest or other source of money to carry out the
23 Nevada ABLE Savings Program.

24 Existing law requires the State Treasurer to establish such accounts as he or she
25 determines necessary to carry out his or her duties relating to the Nevada ABLE
26 Savings Program, including: (1) a Program Account in the Nevada ABLE Savings
27 Program Trust Fund; and (2) an Administrative Account and an Endowment
28 Account in the State General Fund. Existing law requires the Endowment Account
29 to be used for the deposit of any money received by the Nevada ABLE Savings
30 Program that is not received pursuant to a savings trust agreement and, in the
31 determination of the State Treasurer, is not necessary for the use of the
32 Administrative Account. Existing law authorizes the money in the Endowment
33 Account to be expended for any purpose related to the Nevada ABLE Savings
34 Program. (NRS 427A.893) **Section 2** of this bill specifically provides that: (1) any
35 gift, grant, donation, bequest or other source of money received by the State
36 Treasurer to carry out the Nevada ABLE Savings Program must be deposited in the
37 Endowment Account; and (2) money in the Endowment Account may be expended
38 for contributions to savings trust accounts.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 427A.889 is hereby amended to read as
2 follows:

3 427A.889 1. The State Treasurer may adopt regulations to
4 establish and carry out the Nevada ABLE Savings Program to
5 comply with the requirements of a qualified ABLE program
6 pursuant to 26 U.S.C. § 529A, as amended.

7 2. The regulations must be consistent with the provisions of the
8 Internal Revenue Code set forth in Title 26 of the United States
9 Code, and any regulations adopted pursuant thereto, to ensure that
10 the Nevada ABLE Savings Program meets all criteria for federal
11 tax-deferred or tax-exempt benefits, or both.

12 3. The regulations must provide for the use of savings trust
13 agreements and savings trust accounts to apply distributions toward
14 qualified disability expenses in accordance with 26 U.S.C. § 529A,
15 as amended.

16 4. The regulations may include any other provisions not
17 inconsistent with federal law that the State Treasurer determines are
18 necessary for the efficient and effective administration of the
19 Nevada ABLE Savings Program and the Trust Fund, including,
20 without limitation:

21 (a) *Procedures for the administration of the Nevada ABLE*
22 *Savings Program, including, without limitation:*

23 (1) *A procedure for enrolling in the Program;*



1 (2) *Procedures for a person to access information*
2 *regarding a savings trust account, including, without limitation,*
3 *the balance in the account;*

4 (3) *Methods and incentives to encourage contributions to a*
5 *savings trust account; and*

6 (4) *A procedure for distributions from a savings trust*
7 *account;*

8 (b) Provisions for the charging and collection of administrative
9 fees and charges in connection with any transaction relating to the
10 Nevada ABLÉ Savings Program, including, without limitation, fees
11 or charges related to continued participation in the Program;

12 ~~(b)~~ (c) A requirement that any money deposited in accordance
13 with a savings trust agreement, and any increase in the value thereof
14 or qualified withdrawal taken therefrom, is not subject to
15 attachment, levy or execution by any creditor of a contributor,
16 account owner or designated beneficiary and may not be used as
17 security for a loan;

18 ~~(e)~~ (d) A requirement that any money deposited in accordance
19 with a savings trust agreement, and any increase in the value thereof
20 or qualified withdrawal taken therefrom, must not be used to
21 calculate the personal assets of a designated beneficiary or account
22 owner to determine eligibility for any disability, medical or other
23 health benefits administered by this State; and

24 ~~(d)~~ (e) A requirement that any money deposited in accordance
25 with a savings trust agreement, and any increase in the value thereof
26 or qualified withdrawal taken therefrom, must not be used to
27 calculate the personal assets of a designated beneficiary or account
28 owner to determine eligibility or need for any student loan program,
29 student grant program or any other student aid program
30 administered by this State, except as otherwise provided for in
31 federal law.

32 5. If the State Treasurer does not adopt regulations pursuant to
33 this section to establish and carry out the Nevada ABLÉ Savings
34 Program, the State Treasurer shall otherwise ensure that the Nevada
35 ABLÉ Savings Program is established and carried out pursuant to
36 NRS 427A.882 to 427A.896, inclusive.

37 6. *The State Treasurer may apply for and accept any gift,*
38 *grant, donation, bequest or other source of money to carry out the*
39 *Nevada ABLÉ Savings Program.*

40 **Sec. 2.** NRS 427A.893 is hereby amended to read as follows:

41 427A.893 1. The Trust Fund and any account established by
42 the State Treasurer pursuant to this section must be administered by
43 the State Treasurer.

44 2. In carrying out the provisions of NRS 427A.882 to
45 427A.896, inclusive, the State Treasurer may use any administrative



1 or investment agreements or arrangements used for the Nevada
2 College Savings Program created pursuant to NRS 353B.300 to
3 353B.370, inclusive, without soliciting separate proposals for
4 assistance with the management of all or part of the Nevada ABLE
5 Savings Program.

6 3. The State Treasurer shall establish such accounts as he or
7 she determines necessary to carry out his or her duties pursuant to
8 NRS 427A.882 to 427A.896, inclusive, including, without
9 limitation:

10 (a) A Program Account in the Trust Fund; and

11 (b) An Administrative Account and an Endowment Account in
12 the State General Fund.

13 4. The Program Account must be used for the receipt,
14 investment and disbursement of money pursuant to savings trust
15 agreements.

16 5. The Administrative Account must be used for the deposit
17 and disbursement of money to administer and market the Nevada
18 ABLE Savings Program.

19 6. The Endowment Account must be used for the deposit of
20 any money received by the Nevada ABLE Savings Program
21 *pursuant to subsection 6 of NRS 427A.889 or* that is not received
22 pursuant to a savings trust agreement and, in the determination of
23 the State Treasurer, is not necessary for the use of the
24 Administrative Account. The money in the Endowment Account
25 may be expended for any purpose related to the Nevada ABLE
26 Savings Program , *including, without limitation, for contributions*
27 *to savings trust accounts*, or in any other manner which assists
28 residents of this State who are eligible individuals as defined in 26
29 U.S.C. § 529A, as amended.

30 **Sec. 3.** This act becomes effective upon passage and approval.

