

Assembly Bill No. 62–Committee on
Health and Human Services

CHAPTER.....

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:

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

Existing law authorizes the State Treasurer to adopt regulations to establish and carry out the Nevada ABLE Savings Program. (NRS 427A.889) **Section 1** of this bill specifically authorizes such regulations to include procedures for the administration of the Nevada ABLE Savings Program, including: (1) a procedure for enrolling in the Program; (2) procedures for a person to access information regarding a savings trust account; (3) methods and incentives to encourage contributions to a savings trust account; and (4) a procedure for distributions from a savings trust account. **Section 1** also authorizes the State Treasurer to apply for and accept any gift, grant, donation, bequest or other source of money to carry out the Nevada ABLE Savings Program.

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



Endowment Account; and (2) money in the Endowment Account may be expended for contributions to savings trust accounts.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

2. In carrying out the provisions of NRS 427A.882 to 427A.896, inclusive, the State Treasurer may use any administrative or investment agreements or arrangements used for the Nevada College Savings Program created pursuant to NRS 353B.300 to 353B.370, inclusive, without soliciting separate proposals for assistance with the management of all or part of the Nevada ABLE Savings Program.

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



- (a) A Program Account in the Trust Fund; and
- (b) An Administrative Account and an Endowment Account in the State General Fund.

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

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

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

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

