

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

SYNOPSIS: This bill would revise the name of the ACES Program within the State Treasurer's office, as provided by the Wallace-Folsom Savings Investment Plan Act, from the Alabama College Education Savings Program to the Alabama Comprehensive Education Savings Program and would clarify that certain terms are defined in federal law.

A BILL
TO BE ENTITLED
AN ACT

To amend Sections 16-33C-3 and 16-33C-10, Code of Alabama 1975, relating to the Wallace-Folsom Savings Investment Plan Act; to revise the name of the ACES Program from the Alabama College Education Savings Program to the Alabama Comprehensive Education Savings Program; and to clarify the meanings of certain terms pursuant to federal law.
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

3 "§16-33C-3.

4 "The following terms as used in this chapter shall
5 have the meanings ascribed to them, unless the context clearly
6 indicates otherwise:

7 "(1) ABLE PROGRAM. The Achieving a Better Life
8 Experience Program established pursuant to this chapter and
9 defined in Section 529A of the Internal Revenue Code of 1986,
10 as amended, or other applicable federal law, to assist
11 individuals and families to save private funds to support
12 individuals with disabilities to maintain health,
13 independence, and quality of life.

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

21 "(3) ABLE TRUST FUND. The fiduciary trust fund
22 established pursuant to this chapter comprised of separate and
23 segregated ABLE savings accounts as established by savings
24 agreements.

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

1 "(5) ACES PROGRAM. The Alabama ~~College~~ Comprehensive
2 Education Savings Program, a qualified tuition program
3 established pursuant to this chapter and as defined in Section
4 529 of the Internal Revenue Code of 1986, as amended, or other
5 applicable federal law, to assist individuals and families to
6 save funds for the purpose of meeting the qualified higher
7 education expenses of the designated beneficiary, as those
8 terms are defined and used in Section 529 of the Internal
9 Revenue Code of 1986, as amended, or other applicable federal
10 law.

11 "(6) ACES SAVINGS ACCOUNT. An individual ACES
12 account held in the ACES Trust Fund established by a
13 contributor pursuant to this chapter in order to apply
14 distributions from the account toward qualified higher
15 education expenses ~~at eligible educational institutions~~ for an
16 eligible designated beneficiary, ~~with~~ as those terms ~~as~~ are
17 defined in Section 529 of the Internal Revenue Code of 1986,
18 as amended, or other applicable federal law.

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

21 "(8) CONTRIBUTOR. Any person who contributes money
22 to an ACES Program savings account or an ABLE Program savings
23 account established pursuant to this chapter on behalf of a
24 designated beneficiary and who is listed as the owner of the
25 savings account.

26 "(9) DESIGNATED BENEFICIARY. The eligible individual
27 named as the beneficiary of an ABLE savings account, ACES

1 savings account, or PACT contract established pursuant to this
2 chapter.

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

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

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

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

11 "(14) PACT PROGRAM. The Alabama Prepaid Affordable
12 College Tuition Program created in subsection (a) of Section
13 16-33C-6.

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

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

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

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

25 "(19) SAVINGS BOARD. The Board of Directors of the
26 ABLE Program and ACES Program, and trustees of the ABLE Trust
27 Fund and ACES Trust Fund.

1 "(20) STATE TREASURER. The State Treasurer of
2 Alabama.

3 "§16-33C-10.

4 "(a) The ACES Program is established as one ~~college~~
5 savings alternative under the plan whereby contributors open
6 ACES savings accounts according to savings agreements for the
7 payment of qualified higher education ~~costs~~ expenses for a
8 designated beneficiary ~~at eligible educational institutions,~~
9 as those terms as are defined or used in Section 529 of the
10 Internal Revenue Code of 1986, as amended, or other applicable
11 federal law. The ACES Program includes the ACES Trust Fund,
12 the ACES Administrative Fund, and the ACES Opportunity
13 Enhancement Fund created pursuant to this chapter. The ACES
14 Program may be marketed under a different name than ACES.

15 "(b) The ACES Trust Fund is hereby created and shall
16 be comprised of separate ACES savings accounts held in
17 segregated accounts as established by savings agreements.
18 Funds contributed to the ACES savings accounts established
19 pursuant to the ACES Program are held in trust by the Savings
20 Board for the sole benefit of the contributor and designated
21 beneficiary. Contributions which are received by the ACES
22 Program from any public or private source, except those which
23 are payments of administrative fees, shall be placed in the
24 ACES Trust Fund.

25 "(c) The ACES Administrative Fund is hereby created
26 as a separate fund within the State Treasurer's office for the
27 purpose of administering the ACES Program. The ACES

1 Administrative Fund shall accept, deposit, and disburse funds
2 for the purpose of administering the ACES Program. All funds
3 in the ACES Administrative Fund are hereby irrevocably pledged
4 to the payment of the administrative costs of the ACES
5 Program. Funds in the ACES Administrative Fund may be invested
6 by the State Treasurer in any investment facility allowed by
7 this chapter. Any interest and earnings from the investment of
8 funds in the ACES Administrative Fund shall be deposited to,
9 and become a part of, the ACES Administrative Fund for use as
10 authorized by this chapter. All funds in the ACES
11 Administrative Fund at the end of each fiscal year of the
12 State of Alabama shall remain in that administrative fund and
13 be automatically carried forward and available to be
14 appropriated by the Alabama Legislature for the administration
15 of the ACES Program.

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

20 "(e) Property and income of the ACES Trust Fund,
21 ACES Administrative Fund, and the ACES Opportunity Enhancement
22 Fund shall be exempt from all taxation by the state and by all
23 of its political subdivisions.

24 "(f) The ACES Opportunity Enhancement Fund is
25 created as a separate fund within the State Treasurer's office
26 for the purpose of enhancing and providing higher education
27 opportunities and programs, as the Savings Board deems

1 necessary and appropriate. The fund may receive contributions
2 from individuals, private business entities, public
3 corporations, and contractual agreements with service
4 providers. The funds shall be utilized in the discretion and
5 solely at the direction of the Savings Board. The amounts on
6 deposit in the fund shall not constitute property of the
7 state, and the state shall have no claim or interest in them."

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