

By: Whitmire

S.B. No. 1588

A BILL TO BE ENTITLED

AN ACT

1
2 relating to exempting college savings plan accounts from
3 attachment, execution, and seizure for the satisfaction of debts.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 42, Title 5, Property Code, is amended by
6 adding Section 42.0022 to read as follows:

7 Section 42.0022. Additional Exemption for College Savings
8 Plan. (a) In addition to the exemption prescribed by Section
9 42.001, a person's right to the assets held in or to receive
10 payments under any fund or plan established under Subchapter F,
11 Chapter 54, Education Code, any fund or plan established under
12 Subchapter G, Chapter 54, Education Code, or any qualified tuition
13 program of any state meeting the requirements of Section 529 of the
14 Internal Revenue Code of 1986, is exempt from attachment,
15 execution, and seizure for the satisfaction of debts. If this
16 subsection is held invalid or preempted by federal law in whole or
17 in part or in certain circumstances, the subsection remains in
18 effect in all other respects to the maximum extent permitted by law.

19 SECTION 2. (a) This Act takes effect September 1, 2003.

20 (b) The change in law made by this Act applies to all money
21 and other property contributed to or held in a fund or plan
22 described in Section 1 on or after the effective date of this Act,
23 whether the property was contributed before, on, or after the
24 effective date of this Act.

1 SECTION 3. The importance of this legislation and the
2 crowded condition of the calendars in both houses create an
3 emergency and an imperative public necessity that the
4 constitutional rule requiring bills to be read on three several
5 days in each house be suspended, and this rule is hereby suspended.