

1-1 By: Whitmire S.B. No. 1588
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Jurisprudence;
1-4 April 22, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 22, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1588 By: Lucio

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to exempting college savings plan accounts from
1-11 attachment, execution, and seizure for the satisfaction of debts.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Chapter 42, Property Code, is amended by adding
1-14 Section 42.0022 to read as follows:

1-15 Sec. 42.0022. EXEMPTION FOR COLLEGE SAVINGS PLANS. (a) In
1-16 addition to the exemption prescribed by Section 42.001, a person's
1-17 right to the assets held in or to receive payments or benefits under
1-18 any of the following is exempt from attachment, execution, and
1-19 seizure for the satisfaction of debts:

1-20 (1) any fund or plan established under Subchapter F,
1-21 Chapter 54, Education Code, including the person's interest in a
1-22 prepaid tuition contract;

1-23 (2) any fund or plan established under Subchapter G,
1-24 Chapter 54, Education Code, including the person's interest in a
1-25 savings trust account; or

1-26 (3) any qualified tuition program of any state that
1-27 meets the requirements of Section 529, Internal Revenue Code of
1-28 1986, as amended.

1-29 (b) If any portion of this section is held to be invalid or
1-30 preempted by federal law in whole or in part or in certain
1-31 circumstances, this section remains in effect in all other respects
1-32 to the maximum extent permitted by law.

1-33 SECTION 2. (a) This Act takes effect September 1, 2003.

1-34 (b) The change in law made by this Act applies to a person's
1-35 right to the assets held in or to receive payments or benefits under
1-36 any fund, plan, or program described by Section 42.0022, Property
1-37 Code, as added by this Act, on and after the effective date of this
1-38 Act without regard to whether any money and other property was
1-39 contributed to or paid in connection with the fund, plan, or program
1-40 to establish the person's right to those assets, payments, or
1-41 benefits before, on, or after the effective date of this Act.

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