

1-1 By: Zaffirini S.B. No. 1764
 1-2 (In the Senate - Filed March 9, 2017; March 23, 2017, read
 1-3 first time and referred to Committee on State Affairs;
 1-4 April 12, 2017, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; April 12, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | X | | | |
| 1-13 | X | | | |
| 1-14 | X | | | |
| 1-15 | X | | | |
| 1-16 | X | | | |
| 1-17 | X | | | |

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1764 By: Hughes

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the investment of funds in, and operation of
 1-22 guardianships of the estate in relation to, accounts established
 1-23 under the Texas Achieving a Better Life Experience (ABLE) Program.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 1161.003, Estates Code, is amended to
 1-26 read as follows:

1-27 Sec. 1161.003. INVESTMENTS THAT MEET STANDARD FOR
 1-28 INVESTMENT. A guardian of the estate is considered to have
 1-29 exercised the standard required by Section 1161.002(a) with respect
 1-30 to investing the ward's estate if the guardian invests in the
 1-31 following:

- 1-32 (1) bonds or other obligations of the United States;
- 1-33 (2) tax-supported bonds of this state;
- 1-34 (3) except as limited by Sections 1161.004(b) and (c),
 1-35 tax-supported bonds of a county, district, political subdivision,
 1-36 or municipality in this state;
- 1-37 (4) if the payment of the shares or share accounts is
 1-38 insured by the Federal Deposit Insurance Corporation, shares or
 1-39 share accounts of:

1-40 (A) a state savings and loan association or
 1-41 savings bank that has its main office or a branch office in this
 1-42 state; or

1-43 (B) a federal savings and loan association or
 1-44 savings bank that has its main office or a branch office in this
 1-45 state;

1-46 (5) collateral bonds that:
 1-47 (A) are issued by a company incorporated under
 1-48 the laws of this state that has a paid-in capital of \$1 million or
 1-49 more;

1-50 (B) are a direct obligation of the company; and

1-51 (C) are specifically secured by first mortgage
 1-52 real estate notes or other securities pledged with a trustee; ~~or~~

1-53 (6) interest-bearing time deposits that may be
 1-54 withdrawn on or before one year after demand in a bank that does
 1-55 business in this state, if the payment of the time deposits is
 1-56 insured by the Federal Deposit Insurance Corporation; or

1-57 (7) an ABLE account established in accordance with the
 1-58 Texas Achieving a Better Life Experience (ABLE) Program under
 1-59 Subchapter J, Chapter 54, Education Code.

1-60 SECTION 2. Subchapter A, Chapter 1202, Estates Code, is

2-1 amended by adding Section 1202.003 to read as follows:
2-2 Sec. 1202.003. TERMINATION OF GUARDIANSHIP OF ESTATE ON
2-3 ESTABLISHMENT OF ABLE ACCOUNT BY CERTAIN PERSONS. On application
2-4 by the guardian of the estate of a ward or another person interested
2-5 in the ward's welfare, the court may order that the guardianship of
2-6 the estate of the ward terminate and be settled and closed if the
2-7 court finds that the ward no longer needs a guardian of the estate
2-8 because all of the ward's assets have been placed in an ABLE account
2-9 established in accordance with the Texas Achieving a Better Life
2-10 Experience (ABLE) Program under Subchapter J, Chapter 54, Education
2-11 Code, and the ward is the designated beneficiary of the account.

2-12 SECTION 3. Section 142.004(a), Property Code, is amended to
2-13 read as follows:

2-14 (a) In a suit in which a minor or incapacitated person who
2-15 has no legal guardian is represented by a next friend or an
2-16 appointed guardian ad litem, any money recovered by the plaintiff,
2-17 if not otherwise managed under this chapter, may be invested:

2-18 (1) by the next friend or guardian ad litem in:

2-19 (A) a higher education savings plan established
2-20 under Subchapter G, Chapter 54, Education Code, ~~[or]~~ a prepaid
2-21 tuition program established under Subchapter H, Chapter 54,
2-22 Education Code, or an ABLE account established in accordance with
2-23 the Texas Achieving a Better Life Experience (ABLE) Program under
2-24 Subchapter J, Chapter 54, Education Code; or

2-25 (B) interest-bearing time deposits in a
2-26 financial institution doing business in this state and insured by
2-27 the Federal Deposit Insurance Corporation; or

2-28 (2) by the clerk of the court, on written order of the
2-29 court of proper jurisdiction, in:

2-30 (A) a higher education savings plan established
2-31 under Subchapter G, Chapter 54, Education Code, ~~[or]~~ a prepaid
2-32 tuition program established under Subchapter H, Chapter 54,
2-33 Education Code, or an ABLE account established in accordance with
2-34 the Texas Achieving a Better Life Experience (ABLE) Program under
2-35 Subchapter J, Chapter 54, Education Code;

2-36 (B) interest-bearing deposits in a financial
2-37 institution doing business in this state and insured by the Federal
2-38 Deposit Insurance Corporation;

2-39 (C) United States treasury bills;

2-40 (D) an eligible interlocal investment pool that
2-41 meets the requirements of Sections 2256.016, 2256.017, and
2-42 2256.019, Government Code; or

2-43 (E) a no-load money market mutual fund, if the
2-44 fund:

2-45 (i) is regulated by the Securities and
2-46 Exchange Commission;

2-47 (ii) has a dollar weighted average stated
2-48 maturity of 90 days or fewer; and

2-49 (iii) includes in its investment objectives
2-50 the maintenance of a stable net asset value of \$1 for each share.

2-51 SECTION 4. This Act takes effect September 1, 2017.

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