

2026 Regular Session

HOUSE BILL NO. 749

BY REPRESENTATIVE CARVER

FUNDS/INVESTMENTS: Authorizes the Louisiana Tuition Trust Authority to contract with a program manager for the administration of certain savings accounts (ABLE, START, and START K12 programs) and the investment of account funds

1 AN ACT

2 To amend and reenact R.S. 17:3084(A)(14), 3085(3), 3086, 3092(13) and (14), 3093(C)(3)

3 and (D)(1)(f), 3095(A)(4) and (E)(2), 3100.2(12) and (13), 3100.3(B)(3) and

4 (C)(1)(f), and 3100.5(A)(4) and to enact R.S. 17:3090(E), 3099(I) and (J), 3100.5(G),

5 3100.8(I) and (J), Chapter 22-C of Title 17 of the Louisiana Revised Statutes of

6 1950, to be comprised of R.S. 17:3100.21 through 3100.26, and R.S. 17:3129.4(D),

7 relative to savings account programs; to provide for the administration of the ABLE

8 Account Program, the Louisiana Student Tuition Assistance and Revenue Trust

9 Program, and the Louisiana Student Tuition Assistance and Revenue Trust

10 Kindergarten Through Grade Twelve Program; to authorize the Louisiana Tuition

11 Trust Authority to enter into a contract with a program manager for the

12 administration of the program accounts and the investment of account funds; to

13 provide for the transfer of certain monies within the Louisiana Education Tuition and

14 Savings Fund to the program manager; to provide for the powers and duties of the

15 authority and the program manager; to require the authority to notify the presiding

16 officers of the legislature and the state treasurer of the execution of the contract; to

17 require the authority and the state treasurer to coordinate on the implementation of

18 account transfers; to provide for definitions; to provide for effectiveness; and to

19 provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 17:3084(A)(14), 3085(3), 3086, 3092(13) and (14), 3093(C)(3) and
3 (D)(1)(f), 3095(A)(4) and (E)(2), 3100.2(12) and (13), 3100.3(B)(3) and (C)(1)(f), and
4 3100.5(A)(4) are hereby amended and reenacted and R.S. 17:3090(E), 3099(I) and (J),
5 3100.5(G), 3100.8(I) and (J), Chapter 22-C of Title 17 of the Louisiana Revised Statutes of
6 1950, comprised of R.S. 17:3100.21 through 3100.26, and R.S. 17:3129.4(D) are hereby
7 enacted to read as follows:

8 §3084. Louisiana Tuition Trust Authority; rules; compliance with federal
9 requirements

10 A. The authority shall, by adoption of rules pursuant to the Administrative
11 Procedure Act and in consultation with the advisory council, provide for the
12 following functions, policies, and requirements of the program and shall ensure
13 through such rules that all of the following aspects of the program comply with all
14 applicable provisions of Section 529A of the Internal Revenue Code and with any
15 regulations pertaining to qualified ABLE programs issued pursuant thereto:

16 * * *

17 (14) The determination, until December 31, 2026, or the date of the
18 execution of a contract with a program manager as provided in Chapter 22-C of this
19 Title, whichever occurs later, of the rate of interest to be paid on ABLE accounts of
20 record at the close of a calendar year, provided that such rate is not a negative rate
21 and is approved by the state treasurer.

22 * * *

23 §3085. Louisiana Tuition Trust Authority; powers relative to the administration of
24 the program

25 In addition to any other powers conferred by this Chapter, the authority may
26 do any of the following:

27 * * *

28 (3) Make, execute, and deliver contracts, conveyances, and other instruments
29 necessary to the exercise and discharge of the powers and duties of the authority,

1 including contracts for the administration of ABLE accounts and the investment of
2 account funds in accordance with federal law, this Chapter, and Chapter 22-C of this
3 Title.

4 * * *

5 §3086. ABLE account funds; investment

6 A. The state treasurer shall invest monies deposited in the ABLE accounts
7 in the same manner as prescribed by R.S. 17:3091 et seq. for the investment of
8 monies deposited in START Program accounts. Funds in ABLE accounts shall be
9 invested in such investment options and subject to the same requirements and
10 limitations for funds deposited in START Program accounts provided in R.S.
11 17:3091 et seq., except as otherwise provided in this Chapter.

12 B. Notwithstanding any provision of this Section or any other provision of
13 law to the contrary, beginning on December 31, 2026, or the date of the execution
14 of a contract between the authority and a program manager as provided in Chapter
15 22-C of this Title, whichever occurs later, all ABLE accounts may be administered,
16 and all funds in such accounts may be invested, by the program manager.

17 * * *

18 §3090. Achieving a Better Life Experience in Louisiana Fund

19 * * *

20 E. Notwithstanding any provision of this Section or any other law to the
21 contrary, beginning on December 31, 2026, or the date of the execution of a contract
22 between the authority and a program manager as provided in Chapter 22-C of this
23 Title, whichever occurs later, all ABLE accounts may be administered, and all funds
24 in such accounts may be invested, by the program manager.

25 * * *

26 §3092. Definitions

27 As used in this Chapter, the following terms have the following meanings
28 unless the context clearly indicates otherwise:

29 * * *

1 §3095. Education savings accounts; types, use, limitations, and disclosures

2 A.

3 * * *

4 (4) Subject to the limitation imposed by R.S. 17:3098(B), the authority shall
5 guarantee, until December 31, 2026, or the date of execution of a contract with a
6 program manager as provided in Chapter 22-C of this Title, whichever occurs later,
7 payment of the redemption value of an education savings account in which the
8 deposits and interest are invested in fixed earnings.

9 * * *

10 E.

11 * * *

12 (2) Prior to the close of the calendar year in which the program is
13 implemented and each year thereafter on a date specified by the authority, the state
14 treasurer shall determine and report to the authority, until December 31, 2026, or the
15 date of the execution of the authority's contract with a program manager, whichever
16 occurs later, the total earnings and the rate of return achieved on deposits in the
17 Louisiana Education Tuition and Savings Fund. Based upon the fund's reported
18 earnings, the authority shall establish, until December 31, 2026, or the date of the
19 execution of the authority's contract with a program manager, whichever occurs later,
20 the rate of interest to be applied to the accumulated principal and interest in
21 education savings accounts of record, subject to approval by the state treasurer. The
22 authority shall calculate and credit the appropriate amount of interest earnings to
23 each such account prior to the close of the calendar year until December 31, 2026,
24 or the date of the execution of the authority's contract with a program manager,
25 whichever occurs later.

26 * * *

27 §3099. Louisiana Education and Tuition Savings Fund; use

28 * * *

1 B. In addition to any other powers conferred by this Chapter or any other
2 provision of law, the authority may do any of the following:

3 * * *

4 (3) Make, execute, and deliver contracts, conveyances, and other instruments
5 necessary to the exercise and discharge of the powers and duties of the authority,
6 including contracts for the administration of education savings accounts and
7 investment of account funds in accordance with federal law, this Chapter, and
8 Chapter 22-C of this Title.

9 * * *

10 C.(1) The authority shall, by adoption of rules pursuant to the Administrative
11 Procedure Act, provide for the following:

12 * * *

13 (f) ~~The~~ Until December 31, 2026, or the date of the execution of a contract
14 with a program manager as provided in Chapter 22-C of this Title, whichever occurs
15 later, the rate of interest to be paid on education savings accounts of record at the
16 close of a calendar year. Such rate shall not be a negative rate and shall be approved
17 by the state treasurer.

18 * * *

19 §3100.5. Education savings accounts; types, use, limitations, and disclosures

20 A.

21 * * *

22 (4) Subject to the limitation imposed by R.S. 17:3100.7(B), the authority
23 shall guarantee, until December 31, 2026, or the date of the execution of a contract
24 with a program manager as provided in Chapter 22-C of this Title, whichever occurs
25 later, payment of the redemption value of an education savings account in which the
26 deposits and interest are invested in fixed earnings.

27 * * *

1 (3) "Program manager" means an entity with which the authority contracts
2 for the administration of savings accounts provided for in Chapters 22, 22-A, and 22-
3 B of this Title and the investment of account funds as provided in this Chapter.

4 (4) "Savings account" means ABLE, START, and START K12 savings
5 accounts provided for, respectively, in Chapters 22, 22-A, and 22-B of this Title.

6 (5) "START account" means an education savings account as defined in R.S.
7 17:3092 for purposes of the START Program as provided in Chapter 22-A of this
8 Title.

9 (6) "START K12 account" means an education savings account as defined
10 in R.S. 17:3100.2 for purposes of the START K12 program as provided in Chapter
11 22-B of this Title.

12 §3100.22. Legislative intent; administration and management of savings account
13 programs

14 A.(1) It is the intent of the legislature to provide for safe and efficient
15 administration of savings accounts and investment of savings account funds.

16 (2) Beginning on December 31, 2026, or the date of the execution of a
17 contract between the authority and a program manager as provided in this Chapter,
18 whichever occurs later, the provisions of this Chapter shall govern the administration
19 of savings accounts and the investment of savings account funds.

20 B.(1) The provisions of this Chapter shall comply with the provisions of
21 Sections 529 and 529A of the Internal Revenue Code. Any provision of this Chapter
22 determined to be in conflict with any requirement of the code as applicable to a
23 qualified tuition program as defined in Section 529 of the federal Internal Revenue
24 Code, as amended, or a qualified ABLE program as defined in Section 529A of the
25 federal Internal Revenue Code, as amended, shall be superseded by such code
26 provision to the extent necessary to assure that the program continues to meet the
27 code's definition of each of these programs, as applicable.

28 (2) Any requirement of this Chapter determined to be more restrictive than
29 the requirements of the federal Internal Revenue Code as applicable to such a tuition

1 program or ABLE program may be modified to conform with code requirements by
2 the authority by rule promulgated in accordance with the Administrative Procedure
3 Act.

4 C. Nothing in this Chapter shall be construed to limit the powers and duties
5 of the authority as provided in Chapters 22, 22-A and 22-B of this Title, including
6 but not limited to the provisions of R.S. 17:3085, 3093, and 3100.3.

7 §3100.23. The Louisiana Tuition Trust Authority; powers relative to the
8 administration of the savings account programs

9 A. The authority shall continue to exercise the powers and duties conferred
10 upon it pursuant to Chapters 22, 22-A and 22-B of this Title. The authority may
11 enter into a contract with a program manager to administer savings accounts and to
12 invest the funds in such accounts. The program manager shall be required under the
13 contract to provide qualifying savings account owners with access to enrollment in
14 an operating qualified tuition program as defined in Section 529 of the federal
15 Internal Revenue Code, as amended, or a qualified ABLE program as defined in
16 Section 529A of the federal Internal Revenue Code, as amended.

17 B. On December 31, 2026, or the date of the execution of a contract between
18 the authority and a program manager, whichever occurs later:

19 (1) All savings accounts shall be transferred to the program manager for
20 account administration and investment of account funds.

21 (2) All deposited monies for savings accounts contained in the Tuition and
22 Savings Fund as provided in R.S. 17:3129.4 shall be transferred to the program
23 manager. The monies in the Savings Enhancement Fund shall remain in the state
24 treasury, and the treasurer shall continue to administer the Savings Enhancement
25 Fund in accordance with R.S. 17:3129.4 for the purposes provided in Chapters 22-A
26 and 22-B of this Title.

27 C. Beginning on December 31, 2026, or the date of the execution of the
28 contract with the program manager, whichever occurs later, monies to be deposited
29 in savings accounts shall be sent directly to the program manager, except for cash

1 deposits. The Board of Regents shall provide for the receipt of cash deposits, their
2 placement in a subaccount created for the purpose, and their transmittal to the
3 program manager along with any instructions received from the account owner
4 regarding investment selections.

5 §3100.24. Program manager; responsibilities

6 The program manager, shall, at a minimum, do the following:

7 (1) Offer account owners a selection of investment options that shall include
8 an option equivalent to fixed earnings as defined in R.S. 17:3082, 3092, and 3100.2
9 that ensures the security of the principal and interest thereon and may include options
10 for variable earnings as defined in R.S. 17:3082, 3092, and 3100.2.

11 (2) Administer accounts according to valid instructions from account
12 owners.

13 (3) Collect and report data to the legislative auditor for purposes of audits.

14 (4) Provide annual account owner statements.

15 (5) Provide tax documents to each account owner relative to his account,
16 including information on deposits for the previous calendar year and deposit totals
17 over time.

18 (6) Provide annual reporting of disbursements for expenses that do not meet
19 the definition of qualified disability expenses as defined in R.S. 17:3082, qualified
20 higher education expenses as defined in R.S. 17:3092, or qualified education
21 expenses as defined in R.S. 17:3100.2 to the Department of Revenue and the Internal
22 Revenue Service.

23 (7) Provide rollover reporting to the authority.

24 (8) Provide quarterly reporting to the authority on the total number of
25 accounts and total assets by account type, including the number of new accounts and
26 the number of closed accounts.

27 (9) Provide annual reporting to the authority of investment performance by
28 investment type.

1 (2) On December 31, 2026, or the date of the execution of a contract between
 2 the authority and a program manager, whichever occurs later, all monies deposited
 3 in savings accounts as contained in the Tuition and Savings Fund shall be transferred
 4 to the program manager, except for the contents of the Savings Enhancement Fund,
 5 which shall continue to be subject to the provisions of this Section.

6 Section 2.(A) The Louisiana State Law Institute is hereby directed to redesignate the
 7 provisions of R.S. 3100.21 through 3100.26, as contained in Chapter 22-C of Title 17 of the
 8 Louisiana Revised Statutes of 1950 as enacted by Section 1 of this Act, as R.S. 17:3101
 9 through 3106.

10 (B) The Louisiana State Law Institute is hereby directed to redesignate the
 11 provisions of R.S. 3101 through 3109, as contained in Chapter 23 of Title 17 of the
 12 Louisiana Revised Statutes of 1950, as R.S. 17:3111 through 3119.

13 Section 3. This Act shall become effective upon signature by the governor or, if not
 14 signed by the governor, upon expiration of the time for bills to become law without signature
 15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 17 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 749 Original

2026 Regular Session

Carver

Abstract: Authorizes the La. Tuition Trust Authority to contract with a program manager for the administration of the ABLE, START, and START K12 programs and the management of program accounts.

ABLE, START, and START K12 programs, generally

Present law provides for the ABLE program, the START program, and the START K12 program, all of which are savings account programs administered by the La. Tuition Trust Authority (LATTA), which is governed by the Bd. of Regents. Provides for the investment of account funds by the state treasurer. Provides that ABLE accounts funds are for qualified expenses of persons with disabilities and START and START K12 account funds are for qualified education expenses, all as defined by federal law. Proposed law authorizes LATTA to contract with a program manager for the administration of accounts and the investment of account funds.

LATTA

Present law provides for LATTA's powers and duties with respect to account administration, including:

- (1) The requirement that it provide by rule for the determination of the rate of interest to be paid on accounts at the close of a calendar year. Proposed law applies this requirement until Dec. 31, 2026, or the date of the execution of a contract with a program manager, whichever occurs later.
- (2) The authorization to make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise of its powers and duties. Proposed law specifies that such contracts include those for the administration of accounts and investment of account funds in accordance with federal law, present law, and proposed law.
- (3) For START accounts, the requirement that LATTA guarantee payment of the redemption value of an account in which the deposits and interest are invested in fixed earnings. Proposed law applies this requirement until Dec. 31, 2026, or the date of execution of a contract with a program manager as provided in proposed law, whichever occurs later.

La. Education Tuition and Savings Fund

Present law provides for the La. Education Tuition and Savings Fund ("Tuition and Savings Fund") which contains account funds. Provides for a subaccount within the fund, the Savings Enhancement Fund, which contains monies appropriated by the legislature to fund earnings enhancements for START accounts. Proposed law provides:

- (1) Beginning on Dec. 31, 2026, or the date of the execution of a contract between LATTA and a program manager, whichever occurs later, monies in ABLE, START, and START K12 accounts as contained in the Tuition and Savings Fund may be administered by the program manager.
- (2) On Dec. 31, 2026, or the date of the execution of a contract between LATTA and a program manager, whichever occurs later, monies in ABLE, START, and START K12 accounts as contained in the Tuition and Savings Fund shall be transferred to the program manager, except for the contents of the Savings Enhancement Fund, which shall continue to be subject to present law, including provisions relative to investment by the treasurer.

Present law requires the following:

- (1) The treasurer to determine and report to LATTA the total earnings and rate of return achieved on the Tuition and Savings Fund.
- (2) LATTA to establish the rate of interest to be applied to the accumulated principal and interest in accounts, subject to approval by the treasurer.
- (3) LATTA to calculate and credit the appropriate amount of interest earnings to each such account prior to the close of the calendar year.

Proposed law applies the above requirements until Dec. 31, 2026, or the date of the execution of a contract with a program manager, whichever occurs later.

Present law provides for the Variable Earnings Transaction Fund, a subaccount within the Tuition and Savings Fund that receives earnings funds as provided in present law for START and START K12 accounts. Proposed law specifies that this subaccount is to be maintained

by the state treasurer until Dec. 31, 2026, or the date of the execution of a contract between LATTA and a program manager, whichever occurs later.

Implementation

Proposed law requires LATTA and the state treasurer to coordinate the transfer of information necessary for the transfer of ABLE, START, and START K12 accounts to the program manager and the implementation of all other proposed law.

Notification

Proposed law requires LATTA to submit written notification to the speaker of the House of Representatives, the president of the Senate, and the state treasurer of the execution of a contract with a program manager within 24 hours following such execution.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 17:3084(A)(14), 3085(3), 3086, 3092(13) and (14), 3093(C)(3) and (D)(1)(f), 3095(A)(4) and (E)(2), 3100.2(12) and (13), 3100.3(B)(3) and (C)(1)(f), and 3100.5(A)(4); Adds R.S. 17:3090(E), 3099(I) and (J), 3100.5(G), 3100.8(I) and (J), 3100.21-3100.26, and R.S. 17:3129.4(D))