

AN ACT

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

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

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

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

- (1) bonds or other obligations of the United States;
- (2) tax-supported bonds of this state;
- (3) except as limited by Sections 1161.004(b) and (c), tax-supported bonds of a county, district, political subdivision, or municipality in this state;
- (4) if the payment of the shares or share accounts is insured by the Federal Deposit Insurance Corporation, shares or share accounts of:
  - (A) a state savings and loan association or savings bank that has its main office or a branch office in this state; or
  - (B) a federal savings and loan association or

1 savings bank that has its main office or a branch office in this  
2 state;

3 (5) collateral bonds that:

4 (A) are issued by a company incorporated under  
5 the laws of this state that has a paid-in capital of \$1 million or  
6 more;

7 (B) are a direct obligation of the company; and

8 (C) are specifically secured by first mortgage  
9 real estate notes or other securities pledged with a trustee; ~~or~~

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11 withdrawn on or before one year after demand in a bank that does  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

14 (7) an ABLE account established in accordance with the  
15 Texas Achieving a Better Life Experience (ABLE) Program under  
16 Subchapter J, Chapter 54, Education Code.

17 SECTION 2. Subchapter A, Chapter 1202, Estates Code, is  
18 amended by adding Section 1202.003 to read as follows:

19 Sec. 1202.003. TERMINATION OF GUARDIANSHIP OF ESTATE ON  
20 ESTABLISHMENT OF ABLE ACCOUNT BY CERTAIN PERSONS. On application  
21 by the guardian of the estate of a ward or another person interested  
22 in the ward's welfare, the court may order that the guardianship of  
23 the estate of the ward terminate and be settled and closed if the  
24 court finds that the ward no longer needs a guardian of the estate  
25 because all of the ward's assets have been placed in an ABLE account  
26 established in accordance with the Texas Achieving a Better Life  
27 Experience (ABLE) Program under Subchapter J, Chapter 54, Education

1 Code, and the ward is the designated beneficiary of the account.

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

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

8 (1) by the next friend or guardian ad litem in:

9 (A) a higher education savings plan established  
10 under Subchapter G, Chapter 54, Education Code, ~~or~~ a prepaid  
11 tuition program established under Subchapter H, Chapter 54,  
12 Education Code, or an ABLE account established in accordance with  
13 the Texas Achieving a Better Life Experience (ABLE) Program under  
14 Subchapter J, Chapter 54, Education Code; or

15 (B) interest-bearing time deposits in a  
16 financial institution doing business in this state and insured by  
17 the Federal Deposit Insurance Corporation; or

18 (2) by the clerk of the court, on written order of the  
19 court of proper jurisdiction, in:

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

26 (B) interest-bearing deposits in a financial  
27 institution doing business in this state and insured by the Federal

1 Deposit Insurance Corporation;

2 (C) United States treasury bills;

3 (D) an eligible interlocal investment pool that  
4 meets the requirements of Sections 2256.016, 2256.017, and  
5 2256.019, Government Code; or

6 (E) a no-load money market mutual fund, if the  
7 fund:

8 (i) is regulated by the Securities and  
9 Exchange Commission;

10 (ii) has a dollar weighted average stated  
11 maturity of 90 days or fewer; and

12 (iii) includes in its investment objectives  
13 the maintenance of a stable net asset value of \$1 for each share.

14 SECTION 4. This Act takes effect September 1, 2017.

S.B. No. 1764

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1764 passed the Senate on April 26, 2017, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1764 passed the House on May 24, 2017, by the following vote: Yeas 146, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor