

**Proposed Substitute  
Bill No. 6738**

LCO No. 6539

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE  
CONCERNING THE FEDERAL ACHIEVING A BETTER LIFE  
EXPERIENCE ACT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) As used in this section  
2 and sections 2 to 8, inclusive, of this act:

3 (1) "Achieving a better life experience account" or "ABLE account"  
4 means an account established and maintained pursuant to sections 2 to  
5 8, inclusive, of this act for the purposes of paying the qualified  
6 disability expenses related to the blindness or disability of a  
7 designated beneficiary.

8 (2) "Contracting state" means a state without a qualified ABLE  
9 program that has entered into a contract with the State Treasurer or  
10 other officer of this state to provide residents of the contracting state  
11 with access to qualified ABLE programs.

12 (3) "Deposit" means a deposit, payment, contribution, gift or other  
13 transfer of funds.

14 (4) "Depositor" means any person making a deposit into an ABLE  
15 account pursuant to a participation agreement.

16 (5) "Designated beneficiary" means any individual state resident or  
17 resident of a contracting state originally designated in the participation  
18 agreement who is an eligible individual and is the owner of an ABLE  
19 account.

20 (6) "Disability certification" means, with respect to an individual, a  
21 certification to the satisfaction of the Secretary of the Treasury of the  
22 United States by the individual or the parent or guardian of the  
23 individual that (A) certifies that (i) the individual has a medically  
24 determinable physical or mental impairment, that results in marked  
25 and severe functional limitations, and that can be expected to result in  
26 death or that has lasted or can be expected to last for a continuous  
27 period of not less than twelve months, or is blind within the meaning  
28 of Section 1614(a)(2) of the Social Security Act, and (ii) such  
29 impairment or blindness occurred before the date on which the  
30 individual attained the age of twenty-six, and (B) includes a copy of  
31 the individual's diagnosis relating to the individual's relevant  
32 impairment or blindness that is signed by a physician who is licensed  
33 pursuant to chapter 370 of the general statutes.

34 (7) "Eligible individual" means an individual who is entitled to  
35 benefits during a taxable year based on blindness or disability under  
36 Title II or XVI of the Social Security Act, and such blindness or  
37 disability occurred before the date on which the individual attained  
38 the age of twenty-six, provided a disability certification with respect to  
39 such individual is filed with the State Treasurer for such taxable year.

40 (8) "Federal ABLÉ Act" means the federal ABLÉ Act of 2014, P.L.  
41 113-295, as amended from time to time.

42 (9) "Participation agreement" means an agreement between the trust  
43 and depositors that provides for participation in an ABLÉ account for  
44 the benefit of a designated beneficiary.

45 (10) "Qualified disability expenses" means any expenses related to  
46 an eligible individual's blindness or disability that are made for the  
47 benefit of an eligible individual who is the designated beneficiary,

48 including the following expenses: Education, housing, transportation,  
49 employment training and support, assistive technology and personal  
50 support services, health, prevention and wellness, financial  
51 management and administrative services, legal fees, expenses for  
52 oversight and monitoring, funeral and burial expenses, and other  
53 expenses that are approved by the Secretary of the Treasury of the  
54 United States under regulations adopted by the Secretary pursuant to  
55 the federal ABLE Act.

56 Sec. 2. (NEW) (*Effective October 1, 2015*) (a) (1) The State Treasurer  
57 shall establish a qualified ABLE program pursuant to the federal ABLE  
58 Act and sections 1 to 8, inclusive, of this act. Under the program: (A)  
59 The State Treasurer shall administer individual ABLE accounts to  
60 encourage and assist eligible individuals and families in saving private  
61 funds to provide support for eligible individuals, and (B) a person may  
62 make contributions to an individual ABLE account to meet the  
63 qualified disability expenses of the designated beneficiary of the  
64 account.

65 (2) For the purposes of the program, there is established within the  
66 Office of the State Treasurer the Connecticut Achieving A Better Life  
67 Experience Trust. The trust shall constitute an instrumentality of the  
68 state and shall perform essential governmental functions, as provided  
69 in sections 1 to 8, inclusive, of this act. The trust shall receive and hold  
70 all payments and deposits intended for ABLE accounts as well as gifts,  
71 bequests, endowments or federal, state or local grants and any other  
72 funds from public or private sources and all earnings, until disbursed  
73 in accordance with sections 1 to 8, inclusive, of this act.

74 (b) (1) The amounts on deposit in the trust shall not constitute  
75 property of the state and the trust shall not be construed to be a  
76 department, institution or agency of the state. Amounts on deposit in  
77 the trust shall not be commingled with state funds and the state shall  
78 have no claim to or against, or interest in, such amounts, except as  
79 provided in subdivision (2) of this subsection. Any contract entered  
80 into by, or any obligation of, the trust shall not constitute a debt or

81 obligation of the state and the state shall have no obligation to any  
82 designated beneficiary or any other person on account of the trust and  
83 all amounts obligated to be paid from the trust shall be limited to  
84 amounts available for such obligation on deposit in the trust. The  
85 amounts on deposit in the trust may only be disbursed in accordance  
86 with the provisions of sections 1 to 8, inclusive, of this act.

87 (2) The trust shall continue in existence as long as it holds any  
88 deposits or other funds or has any obligations and until its existence is  
89 terminated by law, and upon termination of the trust, any unclaimed  
90 assets of the trust shall return to the state. Property of the trust shall be  
91 governed by section 3-61a of the general statutes.

92 (c) The State Treasurer shall be responsible for the receipt,  
93 maintenance, administration, investment and disbursements of  
94 amounts from the trust. The trust shall not receive deposits in any  
95 form other than cash. No depositor or designated beneficiary may  
96 direct the investment of any contributions or amounts held in the trust  
97 other than in the specific fund options provided for by the trust and  
98 shall not direct investments in such specific fund options more than  
99 two times in any calendar year. No interest, or portion of any interest,  
100 in the program shall be used as security for a loan.

101 (d) A person may make deposits to an ABLE account to meet the  
102 qualified disability expenses of the designated beneficiary of the  
103 account, provided the trust and deposits meet the other requirements  
104 of this section, the federal ABLE Act and any regulations adopted  
105 pursuant to the federal ABLE Act by the Secretary of the Treasury of  
106 the United States.

107 (e) On or before December 31, 2016, and annually thereafter, the  
108 State Treasurer shall submit (1) in accordance with the provisions of  
109 subsection (a) of section 3-37 of the general statutes, a report to the  
110 Governor on the operations of the trust, including the receipts,  
111 disbursements, assets, investments and liabilities and administrative  
112 costs of the trust for the prior fiscal year, and (2) in accordance with the  
113 provisions of section 11-4a of the general statutes, a report on the trust

114 to the joint standing committees of the General Assembly having  
115 cognizance of matters relating to finance and public health, and shall  
116 make such report available to each depositor and designated  
117 beneficiary. The report required under subdivision (2) of this  
118 subsection shall include, but need not be limited to: (A) The number of  
119 ABLE accounts; (B) the total amount of contributions to such accounts;  
120 (C) the total amount and nature of distributions from such accounts;  
121 and (D) a description of issues relating to the abuse of such accounts, if  
122 any.

123       Sec. 3. (NEW) (*Effective October 1, 2015*) The State Treasurer, on  
124 behalf of the trust and for purposes of the trust, may:

125       (1) Receive and invest moneys in the trust in any instruments,  
126 obligations, securities or property in accordance with section 4 of this  
127 act;

128       (2) Establish consistent terms for each participation agreement, bulk  
129 deposit, coupon or installment payments, including, but not limited to,  
130 (A) the method of payment into an ABLE account by payroll  
131 deduction, transfer from bank accounts or otherwise, (B) the  
132 termination, withdrawal or transfer of payments under an ABLE  
133 account, including transfers to or from a qualified ABLE program  
134 established by another state pursuant to the federal ABLE Act, (C)  
135 penalties for distributions not used or made in accordance with the  
136 federal ABLE Act, and (D) the amount of any charges or fees to be  
137 assessed in connection with the administration of the trust;

138       (3) Enter into one or more contractual agreements, including  
139 contracts for legal, actuarial, accounting, custodial, advisory,  
140 management, administrative, advertising, marketing and consulting  
141 services for the trust and pay for such services from the gains and  
142 earnings of the trust;

143       (4) Procure insurance in connection with the trust's property, assets,  
144 activities or deposits or contributions to the trust;

145 (5) Apply for, accept and expend gifts, grants or donations from  
146 public or private sources to enable the Connecticut Achieving A Better  
147 Life Experience Trust to carry out its objectives;

148 (6) Sue and be sued;

149 (7) Establish one or more funds within the trust and maintain  
150 separate ABLE accounts for each designated beneficiary; and

151 (8) Take any other action necessary to carry out the purposes of  
152 sections 1 to 8, inclusive, of this act and incidental to the duties  
153 imposed on the State Treasurer pursuant to said sections.

154 Sec. 4. (NEW) (*Effective October 1, 2015*) Notwithstanding the  
155 provisions of sections 3-13 to 3-13h, inclusive, of the general statutes,  
156 the State Treasurer shall invest the amounts on deposit in the trust in a  
157 manner reasonable and appropriate to achieve the objectives of the  
158 trust, exercising the discretion and care of a prudent person in similar  
159 circumstances with similar objectives. The State Treasurer shall give  
160 due consideration to the rate of return, risk, term or maturity,  
161 diversification of the total portfolio within the trust, liquidity,  
162 projected disbursements and expenditures and the expected payments,  
163 deposits, contributions and gifts to be received. The State Treasurer  
164 shall not require the trust to invest directly in obligations of the state or  
165 any political subdivision of the state or in any investment or other  
166 fund administered by the State Treasurer. The assets of the trust shall  
167 be continuously invested and reinvested in a manner consistent with  
168 the objectives of the trust until disbursed for qualified disability  
169 expenses, expended on expenses incurred by the operations of the  
170 trust or refunded to the depositor or designated beneficiary on the  
171 conditions provided in the participation agreement.

172 Sec. 5. (NEW) (*Effective October 1, 2015*) Participation in the trust and  
173 the offering, sale and solicitation of opportunities to participate in the  
174 trust are exempt from sections 36b-16 and 36b-22 of the general  
175 statutes, provided the State Treasurer has obtained written advice of  
176 counsel or written advice from the Securities Exchange Commission,

177 or both, that the trust and the offering, sale and solicitation of  
178 opportunities to participate in the trust are not subject to federal  
179 securities laws.

180 Sec. 6. (NEW) (*Effective October 1, 2015*) The property of the trust and  
181 the earnings on the trust shall be exempt from taxation by the state and  
182 political subdivisions of the state.

183 Sec. 7. (NEW) (*Effective October 1, 2015*) The state pledges to  
184 depositors, designated beneficiaries and any party who enters into  
185 contracts with the trust, pursuant to the provisions of sections 1 to 8,  
186 inclusive, of this act, that the state will not limit or alter the rights  
187 under said sections vested in the trust or contract with the trust until  
188 such obligations are fully met and discharged and such contracts are  
189 fully performed on the part of the trust, provided nothing in this  
190 section shall preclude such limitation or alteration if adequate  
191 provision is made by law for the protection of such depositors and  
192 designated beneficiaries pursuant to the obligations of the trust or  
193 parties who entered into such contracts with the trust. The trust, on  
194 behalf of the state, may include a description of such pledge and  
195 undertaking for the state in participation agreements and such other  
196 obligations or contracts.

197 Sec. 8. (NEW) (*Effective October 1, 2015*) The State Treasurer shall  
198 take any action necessary to ensure that the trust complies with all  
199 applicable requirements of state and federal laws, rules and  
200 regulations to the extent necessary for the trust to constitute a qualified  
201 ABLE program and be exempt from taxation under the federal ABLE  
202 Act, and any regulations adopted pursuant to the federal ABLE Act by  
203 the Secretary of the Treasury of the United States.

204 Sec. 9. (NEW) (*Effective October 1, 2015*) (a) Notwithstanding any  
205 provision of the general statutes, moneys invested in an individual  
206 ABLE account, contributions to an individual ABLE account and  
207 distributions for qualified disability expenses pursuant to sections 1 to  
208 8, inclusive, of this act, shall be disregarded for purposes of  
209 determining an individual's eligibility for assistance under the

210 temporary family assistance program, as described in section 17b-112  
211 of the general statutes, programs funded under the federal Low  
212 Income Home Energy Assistance Program block grant and any other  
213 federally funded assistance or benefit program, including, but not  
214 limited to, the state's medical assistance program, whenever such  
215 program requires consideration of one or more financial circumstances  
216 of an individual for the purpose of determining the individual's  
217 eligibility to receive any assistance or benefit or the amount of any  
218 assistance or benefit.

219 (b) Notwithstanding any provision of the general statutes, no  
220 moneys invested in the ABLE accounts shall be considered to be an  
221 asset for purposes of determining an individual's eligibility for need-  
222 based, institutional aid grants offered to an individual at the public  
223 eligible educational institutions in the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	New section
Sec. 3	<i>October 1, 2015</i>	New section
Sec. 4	<i>October 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section
Sec. 6	<i>October 1, 2015</i>	New section
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>October 1, 2015</i>	New section
Sec. 9	<i>October 1, 2015</i>	New section