
DIGEST

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HB 749 Engrossed

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))