

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

529I0294

HOUSE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **SB 32** - 01/29/2003

Introduced by: The Committee on Legislative Procedure at the request of the Investment
Council

1 FOR AN ACT ENTITLED, An Act to exempt the higher education savings program accounts
2 from certain claims of creditors.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-63-20 be amended to read as follows:

5 13-63-20. Notwithstanding any other provision of law, any amount in or credited to any
6 account is exempt from and is not susceptible to any levy, execution or judgment, or other
7 operation of law, garnishment, or other judicial enforcement. Amounts in an account are not an
8 asset or property of the account owner, contributor, or designated beneficiary for the purposes
9 of paying any debt or liability of any account owner, contributor, or designated beneficiary. No
10 account is subject to involuntary transfer or alienation. Neither an account owner nor a
11 designated beneficiary may use an interest in an account as security for a loan. Any pledge of an
12 interest in an account is of no force and effect. Amounts in an account may not be included in
13 the gross estate of the account owner or contributor for purposes of state tax law, except to the
14 extent that amounts in an account may be includable in the gross estate of the account owner or
15 contributor for purposes of federal tax law. However, any funds in an account that have been



1 contributed within one year prior to the account owner or contributor filing a petition under any
2 chapter of Title 11 of the United States Bankruptcy Code are not exempt by the provisions of
3 this section.