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I N S E N A T E

January 8, 2016

Introduced by Sen. CARLUCCI -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the mental hygiene law and the tax law, in relation to NY ABLE account ownership, contributions and distributions; and to repeal certain provisions of the tax law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions 2 and 3 of section 84.03 of the mental hygiene
2 law, as added by chapter 576 of the laws of 2015, are amended to read as
3 follows:
4 2. "Account" or "NY ABLE account" shall mean an individual savings
5 account established in accordance with the provisions of [this article]
6 SECTION 529A OF THE INTERNAL REVENUE CODE.
7 3. "Account owner" shall mean a person who opens a savings account
8 pursuant to the provisions of [this article] SECTION 529A OF THE INTER-
9 NAL REVENUE CODE, AS AMENDED, OR ANY REGULATIONS PROMULGATED THEREUNDER.
10 The account owner [may] MUST also be the designated beneficiary of the
11 account.
12 S 2. Subdivisions 1 and 2 of section 84.05 of the mental hygiene law,
13 as added by chapter 576 of the laws of 2015, are amended to read as
14 follows:
15 1. The comptroller shall establish a NY ABLE account plan for all
16 eligible individuals [and families] for the purpose of supporting indi-
17 viduals with disabilities to maintain health, independence, and quality
18 of life. The comptroller is hereby authorized to promulgate any and all
19 rules and regulations necessary for the implementation of this article
20 in consultation with the commissioners of the office for people with
21 developmental disabilities, the office of mental health, the department
22 of health, and the office of temporary and disability assistance.
23 2. The comptroller may implement the NY ABLE savings account program
24 through use of third party vendors as administrators of such accounts,
25 and financial organizations as account depositories and managers. Under
26 the program, ELIGIBLE individuals may establish accounts directly with
27 an account depository.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 S 3. Subdivisions 2 and 8 of section 84.09 of the mental hygiene law,
2 as added by chapter 576 of the laws of 2015, are amended to read as
3 follows:

4 2. [A NY ABLE account may be opened by any person who desires to save
5 money for the payment of the qualified living expenses of a designated
6 beneficiary. Such person who opens a NY ABLE account shall be considered
7 the account owner as set forth in this article.]

8 (a) An application for [such] A NY ABLE account shall be in the form
9 prescribed by the program and contain the following:

10 (i) the name, address and social security number or employer identifi-
11 cation number of the account owner;

12 (ii) the designation of a designated beneficiary;

13 (iii) the name, address and social security number of the designated
14 beneficiary; and

15 (iv) such other information as the program may require.

16 (b) The comptroller may establish a nominal fee for such application.

17 8. An account owner may change the designated beneficiary of an
18 account to another beneficiary [who is qualified under the provisions of
19 this article] ONLY AS PERMITTED UNDER SECTION 529A OF THE INTERNAL
20 REVENUE CODE.

21 S 4. Paragraph 42 of subsection (b) of section 612 of the tax law is
22 REPEALED.

23 S 5. Paragraphs 42 and 43 of subsection (c) of section 612 of the tax
24 law are REPEALED.

25 S 6. This act shall take effect on the same date and in the same
26 manner as chapter 576 of the laws of 2015, takes effect.