

§11478. Ownership of account; transfer of ownership rights

For all purposes of the laws of the State, the following provisions apply. [PL 1997, c. 732, §4 (NEW).]

1. Participant retains ownership. The participant retains ownership of all contributions and all program earnings credited to a participant's account under a participation agreement up to the date of utilization for payment of higher education expenses and, notwithstanding any other provision of law, an amount credited to any account is not susceptible to levy, execution, judgment or other operation of law, garnishment or other judicial enforcement and the amount is not an asset or property of either the participant or the beneficiary for purposes of any state insolvency laws. Notwithstanding this subsection, an amount credited to the participant's account may not be included in any gross estate of the participant for purposes of state tax law, except to the extent that the amount may be includable in any gross estate for purposes of federal tax law.
[PL 2021, c. 17, §6 (AMD).]

2. Institution of higher education is owner upon payment. The institution of higher education obtains ownership of the amounts disbursed from an account to the institution of higher education with respect to the higher education expenses paid to the institution at the time each disbursement is made to the institution, subject to any applicable refund policy or other policies of the institution.
[PL 1997, c. 732, §4 (NEW).]

3. Transfer of ownership. A participant may transfer ownership rights to another eligible participant, including, but not limited to, a gift of the ownership rights to a minor beneficiary pursuant to Title 33, chapter 32; except that, notwithstanding any provision of Title 33, chapter 32, the transfer must be effected and the property distributed in accordance with rules adopted by the authority or the terms of the participation agreement.
[PL 1997, c. 732, §4 (NEW).]

3-A. Successor participants. A participant may designate another person as successor owner of the account in the event of the death or disability of the participant.
[PL 2001, c. 380, §3 (NEW).]

4. Jurisdictional effect. A person may not be deemed a resident of the State or be deemed as present in the State for jurisdictional purposes solely by reason of being a beneficiary or participant of an account.
[PL 1997, c. 732, §4 (NEW).]

5. Not security. A person may not pledge any interest in an account as security for a loan or other debt.
[PL 1997, c. 732, §4 (NEW).]

SECTION HISTORY

PL 1997, c. 732, §4 (NEW). PL 2001, c. 380, §3 (AMD). PL 2021, c. 17, §6 (AMD).

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