

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL 101

Short Title: Protect Certain Tax-Advantaged Accounts. (Public)

Sponsors: Senators Jones, P. Newton, and Lee (Primary Sponsors).

Referred to: Rules and Operations of the Senate

February 17, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE PROTECTIONS FOR FUNDS HELD IN EDUCATION SAVINGS  
3 AND INVESTMENT ACCOUNTS AND ABLE ACCOUNTS FROM CLAIMS OF  
4 CREDITORS AND OTHER JUDGMENTS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1.(a) Article 16 of Chapter 1C of the General Statutes is amended by  
7 adding the following new section to read:

8 "**§ 1C-1601.5. Certain tax-advantaged accounts exempt.**

9 (a) For purposes of this section, the following definitions shall apply:

10 (1) Qualifying account. – Any of the following:

11 a. An education savings and investment plan account qualified under  
12 section 529 of the Internal Revenue Code.

13 b. An ABLE account qualified under section 529A of the Internal  
14 Revenue Code.

15 (2) Qualifying purpose. – Any of the following:

16 a. For education savings and investment plan accounts, any purpose  
17 permitted under section 529 of the Internal Revenue Code.

18 b. For ABLE accounts, any purpose permitted under section 529A of the  
19 Internal Revenue Code.

20 (b) Notwithstanding any other provision of law, including G.S. 1C-1601(e), funds  
21 located in a qualifying account or withdrawn from the account and used for a qualifying purpose  
22 shall not be subject to liens, attachment, garnishment, levy, seizure, any involuntary sale or  
23 assignment by operation or execution of law, or the enforcement of any other judgment or claim  
24 to pay any debt or liability of any account owner, beneficiary, or contributor to an account.

25 (c) Nothing in this section shall be construed to do any of the following:

26 (1) Prohibit the distribution of funds from an ABLE account following the death  
27 of the account owner under G.S. 147-86.73(e) or section 529A of the Internal  
28 Revenue Code.

29 (2) Limit the enforcement of judgments or claims on funds that meet any of the  
30 following criteria:

31 a. Were not used for a qualifying purpose.

32 b. Were deposited into a qualifying account as a result of fraud,  
33 intentional wrongdoing, or other violation of law."

34 SECTION 1.(b) G.S. 1C-1601(a)(10) is repealed.

35 SECTION 2. This act becomes effective September 1, 2025, and applies to actions  
36 filed on or after that date.



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