

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

- (a) For purposes of this section, the following definitions shall apply:
- (1) Qualifying account. – Any of the following:
    - a. An education savings and investment plan account qualified under section 529 of the Internal Revenue Code.
    - b. An ABLE account qualified under section 529A of the Internal Revenue Code.
  - (2) Qualifying purpose. – Any of the following:
    - a. For education savings and investment plan accounts, any purpose permitted under section 529 of the Internal Revenue Code.
    - b. For ABLE accounts, any purpose permitted under section 529A of the Internal Revenue Code.
- (b) Notwithstanding any other provision of law, including G.S. 1C-1601(e), funds located in a qualifying account or withdrawn from the account and used for a qualifying purpose shall not be subject to liens, attachment, garnishment, levy, seizure, any involuntary sale or assignment by operation or execution of law, or the enforcement of any other judgment or claim to pay any debt or liability of any account owner, beneficiary, or contributor to an account.
- (c) Nothing in this section shall be construed to do any of the following:
- (1) Prohibit the distribution of funds from an ABLE account following the death of the account owner under G.S. 147-86.73(e) or section 529A of the Internal Revenue Code.
  - (2) Limit the enforcement of judgments or claims on funds that meet any of the following criteria:
    - a. Were not used for a qualifying purpose.
    - b. Were deposited into a qualifying account as a result of fraud, intentional wrongdoing, or other violation of law. (2025-46, s. 6(a).)