

First-time Home Buyer Savings Account Act—Amendments; HB 2197

HB 2197 amends provisions in the First-time Home Buyer Savings Account Act (Act) to clarify the process for the designation and determination of an account holder's payable on death beneficiary. The bill also enacts law supplemental to the Act to authorize the State Treasurer to market the First-time Home Buyers Savings Account Program (Program) to account holders and financial institutions. The bill also makes technical changes.

[*Note:* This act permits savings accounts to be used to pay or reimburse a designated beneficiary's eligible expenses for the purchase or construction of a primary residence in the state. The accounts are subject to maximum contribution amounts per tax year and in aggregate.]

Program Marketing

The bill grants non-exclusive authority to the State Treasurer for the purpose of marketing the Program to account holders and financial institutions throughout the state. The State Treasurer will be permitted to include these marketing initiatives in the office's annual report.

Designated Beneficiaries

The bill also updates the Act to:

- Add a provision stating the naming of a designated beneficiary does not create a survivorship interest in the account for the named designated beneficiary. In the event of the account holder's death, the bill provides the account balance must be paid to the payable on death beneficiary or, if there is no named payable on death beneficiary, in accordance with provisions of the Kansas Probate Code;
- Permit a financial institution to rely on its account records for the determination of a payable on death beneficiary for a first-time home buyer savings account;
 - If the payable on death beneficiary in the institution's account records conflicts with the designated beneficiary on any form required by the Secretary of Revenue, the bill provides the payable on death beneficiary in such financial institution's account records shall control; and
- Update terminology applicable to beneficiaries within the Act from "transfer on death" to "payable on death."