

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 50** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, in line 17, by striking all after the stricken material; by striking all in line 18; in line 19, by striking all before "if" and inserting "5% per annum";

On page 15, following line 42, by inserting:

"Sec. 16. K.S.A. 75-650 is hereby amended to read as follows: 75-650. (a) As used in this section:

(1) "Federal poverty level" means the most recent poverty income guidelines published in the calendar year by the United States department of health and human services.

(2) "Program" means the low-income family postsecondary savings accounts incentive program established by this section.

(3) "Qualified individual or family" means an individual or family who resides within the state of Kansas and whose household income is positive and not more than 200% of the federal poverty level for the tax year prior to the year in which the application is submitted.

(4) "Participant" means a qualified individual or family who has been approved for a matching grant under the program.

(5) "District" means a congressional district of the state of Kansas.

(6) "Application" means an application for a matching grant under the program.

(7) "Third-party contributor" means any individual or organization who contributes ~~money~~ moneys to a family postsecondary savings account established pursuant to K.S.A. 75-640 et seq., and amendments thereto, other than the account owner who established such family

postsecondary savings account for the benefit of the participant.

(8) Words and phrases have the meanings provided by K.S.A. 75-643, and amendments thereto, unless otherwise provided by this section.

(b) There is hereby established the low-income family postsecondary savings accounts incentive program. The purpose of the program is to encourage the establishment of family postsecondary savings accounts pursuant to K.S.A. 75-640, and amendments thereto, by qualified individuals and families.

(c) The treasurer shall:

- (1) Implement and administer the program;
- (2) develop marketing plans and promotional material for the program;
- (3) prescribe the procedure for, and requirements relating to, the submission and approval of applications;
- (4) do all things necessary and proper to carry out the purposes of this act; and
- (5) adopt any rules and regulations and policies deemed necessary for implementation and administration of the program.

(d) Applications shall be submitted to the treasurer in the manner and form required by the treasurer. Applications shall be accompanied by any information deemed necessary by the treasurer. Applications ~~must~~ shall be submitted each year using the applicant's household income from the previous tax year.

(e) ~~Beginning in calendar year 2009~~ In calendar years 2025, 2026 and 2027, the treasurer may approve ~~no not~~ not more than 300 250 applications from a single district. If ~~300~~ 250 applications from residents of a district are not approved in each such calendar year ~~2009 or any year thereafter~~, the treasurer may approve additional applications submitted by residents of the remaining districts of up to the program total of ~~1,200~~ 1,000 applications per year. Applications

shall be approved on a first come, first served basis. The treasurer shall provide written notice; to an applicant; of the approval or nonapproval of such person's application. For calendar year 2028, and each calendar year thereafter, the treasurer shall not accept nor approve any application for the program.

(f) The amount of contributions made to an account by an account owner who establishes a family postsecondary savings account for the benefit of a participant pursuant to K.S.A. 75-640 et seq., and amendments thereto, shall be matched by the state on a dollar-for-dollar basis if the account owner contributes at least \$100 to a family postsecondary education savings account for the benefit of the participant ~~during the calendar year~~ any of the calendar years 2025, 2026 and 2027 for which the application has been approved. The aggregate of all matching amounts for any family postsecondary savings account shall not exceed \$600 ~~in~~ for any calendar year. All contributions by a third-party contributor shall be deposited in the matching grant account for the participant established by the treasurer or another similar account for which the withdrawals are restricted as required by subsection (h).

(g) Between January 1 and January 31 of each state fiscal year, the director of accounts and reports shall transfer from the state general fund to the Kansas postsecondary education savings program trust fund the amount, as certified by the treasurer, necessary to meet the matching obligations under subsection (f) for the preceding calendar year, except that the amount transferred from the state general fund to the Kansas postsecondary education savings program trust fund shall not exceed the maximum amount specified by appropriation act for such purpose for that state fiscal year. On or before January 31 of each year, the treasurer shall transfer from the Kansas postsecondary education savings program trust fund to the account of each participant the amount determined by the treasurer to meet the matching obligation due to such participant under subsection (f) for the preceding calendar year.

(h) (1) The treasurer shall ensure that all withdrawals of matching funds are used for qualified withdrawals under K.S.A. 75-640 et seq., and amendments thereto. The treasurer shall not be required to prospectively approve any withdrawals under the program. Withdrawals of matching funds under the program shall be subject to audit as provided in this subsection.

(2) The treasurer shall retrospectively audit at least 10 withdrawals of matching funds under the program made during each of the calendar years 2025, 2026 and 2027 to determine whether each such withdrawal was a qualified withdrawal or a nonqualified withdrawal under K.S.A. 75-640 et seq., and amendments thereto. The treasurer shall notify any participant whose withdrawal was selected for audit and request such participant to provide to the treasurer any documentation and information deemed necessary by the treasurer to facilitate the audit and determine whether the withdrawal was a qualified withdrawal or a nonqualified withdrawal under K.S.A. 75-640 et seq., and amendments thereto. Such documentation and information shall be submitted to the treasurer in the manner and form required by the treasurer on or before a deadline established by the treasurer and specified in the notice. If the participant does not timely respond to the notice of the audit, the audited withdrawal shall be conclusively presumed to be a nonqualified withdrawal. If the participant does not timely respond to the notice of audit or the treasurer otherwise determines that the audited withdrawal was a nonqualified withdrawal, then the treasurer shall provide notice thereof to the Kansas department of revenue or other appropriate taxing authorities as determined by the treasurer and the participant.

(3) The treasurer's determination that a withdrawal is a nonqualified withdrawal under K.S.A. 75-640 et seq., and amendments thereto, shall be conclusive for the purposes of this act, absent manifest error.

(4) If the treasurer determines that the audited withdrawal was a nonqualified withdrawal under K.S.A. 75-640 et seq., and amendments thereto, then the participant shall

refund the matching portion of the withdrawal by paying such portion to the treasurer, on payment terms established by the treasurer. Any such amounts that remain due and unpaid after the date prescribed by the treasurer for the payment thereof shall be subject to interest at the rate of 5% per annum, compounded monthly, from the date prescribed by the treasurer for the payment thereof. To collect such refund and interest from the participant, the treasurer is authorized to certify the amount due for setoff pursuant to K.S.A. 75-6201 et seq., and amendments thereto, and to exercise any other enforcement right otherwise available to the treasurer. The refund requirement under this act is in addition to and not in substitution for any other fine, penalty, interest or other consequence otherwise imposed by law in connection with withdrawals from the Kansas postsecondary education savings program.

(i) The treasurer shall deposit all refunds and interest received under subsection (h) in the state treasury to the credit of the state general fund.

~~(j)~~(j) The treasurer shall prepare and submit to the governor and the legislature a report on the program on or before January 31 of ~~each year~~ 2026, 2027 and 2028. Such report shall include the number of accounts opened under the program, the amount of moneys contributed to such accounts by the participants, the amount of matching moneys transferred by the treasurer pursuant to subsection (g), the average income of the participants, ~~an analysis of the success of the program in meeting the purpose of the program~~ the number and results of any audit performed pursuant to subsection (h) and any other information deemed appropriate by the treasurer.

~~(k)~~(k) The provisions of this section shall be a part of and supplemental to the Kansas postsecondary education savings program.";

On page 16, in line 1, by striking the first "and" and inserting a comma; also in line 1, after "74-32,223" by inserting "and 75-650"; in line 4, by striking "statute book" and inserting

"Kansas register";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "concerning" by inserting "postsecondary"; also in line 1, by striking "state board of regents" and inserting "financing therefor"; in line 9, after the semicolon by inserting "reducing the number of grants available and audits required under the low-income family postsecondary savings accounts incentive program; providing the audit process for certain withdrawals made under such program;"; in line 11, by striking the first "and" and inserting a comma; also in line 11, after "74-32,223" by inserting "and 75-650";

And your committee on conference recommends the adoption of this report.

Conferees on part of House

Conferees on part of Senate