

SENATE BILL No. 153

By Committee on Ways and Means

2-9

1 AN ACT concerning the low-income family postsecondary savings
2 account incentive program; amending K.S.A. 2010 Supp. 75-650 and
3 repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2010 Supp. 75-650 is hereby amended to read as
7 follows: 75-650. (a) As used in this section:

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

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

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

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

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

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

22 (7) "Third-party contributor" means any individual or organization
23 who contributes money to a family postsecondary savings account

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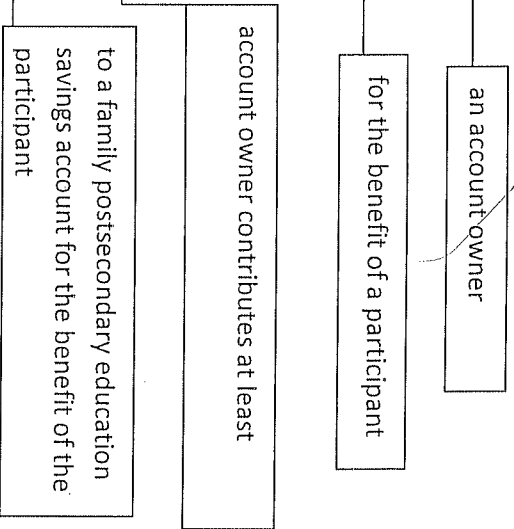
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24 established pursuant to K.S.A. 75-640 et seq., and amendments thereto,
 25 other than the ~~participant~~ who established such family postsecondary
 26 savings account. account owner
 27 ~~(7)~~ (8) Words and phrases have the meanings provided by K.S.A.
 28 75-643, and amendments thereto, unless otherwise provided by this
 29 section.
 30 (b) There is hereby established the low-income family
 31 postsecondary savings accounts incentive program. The purpose of the
 32 program is to encourage the establishment of family postsecondary
 33 savings accounts pursuant to K.S.A. 75-640, and amendments thereto, by
 34 qualified individuals and families.
 35 (c) The treasurer shall:
 36 (1) Implement and administer the program;

account owner

for the benefit of the participant

1 (2) develop marketing plans and promotional material for the
 2 program;
 3 (3) prescribe the procedure for, and requirements relating to, the
 4 submission and approval of applications;
 5 (4) do all things necessary and proper to carry out the purposes of
 6 this act; and
 7 (5) adopt any rules and regulations and policies deemed necessary
 8 for implementation and administration of the program.
 9 (d) Applications shall be submitted to the treasurer in the manner
 10 and form required by the treasurer. Applications shall be accompanied by
 11 any information deemed necessary by the treasurer. Applications must be
 12 submitted each year using the applicant's household income from the
 13 previous tax year.
 14 (e) Beginning in calendar year 2009, the treasurer may approve no
 15 more than 300 applications from a single district. If 300 applications from
 16 residents of a district are not approved in calendar year 2009 or any year
 17 thereafter, the treasurer may approve additional applications submitted by
 18 residents of the remaining districts up to the program total of 1,200
 19 applications per year. Applications shall be approved on a first come, first
 20 served basis. The treasurer shall provide written notice, to an applicant, of
 21 the approval or nonapproval of such person's application.
 22 (f) The amount of contributions made to an account by a participant
 23 who establishes a family postsecondary savings account pursuant to
 24 K.S.A. 75-640 et seq., and amendments thereto, ~~or by any third party~~
 25 ~~contributor~~ shall be matched by the state on a dollar-for-dollar basis if the
 26 participant contributes at least aggregate contributions of such
 27 participant and any third-party contributor are in an amount equal to or
 28 greater than \$100 during the calendar year for which the application has



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for

29 been approved. The aggregate of all matching amounts for any participant
30 family postsecondary savings account shall not exceed \$600 in any
31 calendar year. All contributions by a third-party contributor shall be
32 deposited in the matching grant account of the participant established by
33 the treasurer.

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

or another similar account for which
the withdrawals are restricted as
required by subsection (h).
Contributions by third party
contributors shall be limited to \$600
in a calendar year.

1 fund to the account of each participant the amount determined by the
2 treasurer to meet the matching obligation due to such participant under
3 subsection (f) for the preceding calendar year.

4 (h) The treasurer shall ensure that all withdrawals of matching funds
5 are used for qualified withdrawals under K.S.A. 75-640 et seq., and
6 amendments thereto. ~~Each request for a withdrawal from the matching~~
7 ~~grant account of a participant shall be submitted to the treasurer's office~~
8 ~~for approval. If the treasurer determines that the request is for qualified~~
9 ~~higher education expenses, then the request shall be approved. Each~~
10 ~~approved withdrawal from the matching grant account of the participant~~
11 ~~shall be paid either directly to the educational institution or to the~~
12 ~~participant or the designated beneficiary upon presentation of~~
13 ~~documentation acceptable to the treasurer that the participant or~~
14 ~~designated beneficiary has paid qualified higher education expenses at~~
15 ~~least equal to the amount of the requested withdrawal.~~
16 ~~(i) (1) Except as provided in paragraphs (2) and (3), funds in a~~
17 ~~participant's matching grant account shall be forfeited in an amount~~
18 ~~equal to either of the following:~~
19 ~~(A) Any nonqualified withdrawal from the participant's account or~~
20 ~~(B) any rollover distribution to another qualified institution.~~
21 ~~(2) If any nonqualified withdrawal or rollover distribution closes the~~
22 ~~participant's account, the corresponding matching grant account shall be~~
23 ~~closed and its entire balance shall be forfeited.~~
24 ~~(3) Any participant who contributes more than the \$600 maximum~~
25 ~~matching grant amount may make a nonqualified withdrawal or rollover~~
26 ~~distribution of the excess contribution without forfeiting funds in the~~
27 ~~matching grant account.~~
28 ~~(4) All forfeited funds shall be returned to the Kansas postsecondary~~

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~~29 education savings trust fund~~

30 (f) The treasurer shall prepare and submit to the governor and the
31 legislature a report on the program on or before January 31 of each year.
32 Such report shall include the number of accounts opened under the
33 program, the amount of moneys contributed to such accounts by the
34 participants, the amount of matching moneys transferred by the treasurer
35 pursuant to subsection (g), the average income of the participants, an
36 analysis of the success of the program in meeting the purpose of the
37 program and any other information deemed appropriate by the treasurer.

38 (j) The provisions of this section shall be part of and
39 supplemental to the Kansas postsecondary education savings program.

40 Sec. 2. K.S.A. 2010 Supp. 75-650 is hereby repealed.

41 Sec. 3. This act shall take effect and be in force from and after its
42 publication in the statute books.

January 1, 2013