

## HOUSE BILL No. 2371

By Committee on Appropriations

2-18

1 AN ACT concerning the low-income family postsecondary savings  
2 account incentive program; amending K.S.A. 2012 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. 2012 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 ~~positive and not more than 200% of the federal poverty level for the tax~~  
16 ~~year prior to the year in which the application is submitted.~~

17 (4) ~~"Participant" means a qualified individual or family who has been~~  
18 ~~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 the~~  
21 ~~program.~~

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

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

29 (b) ~~There is hereby established *On July 1, 2013*, the low-income~~  
30 ~~family postsecondary savings accounts incentive program. The purpose of~~  
31 ~~the program is to encourage the establishment of family postsecondary~~  
32 ~~savings accounts pursuant to K.S.A. 75-640, and amendments thereto, by~~  
33 ~~qualified individuals and families *is hereby abolished*.~~

34 (c) ~~The treasurer shall:~~

35 (1) ~~Implement and administer the program;~~

36 (2) ~~develop marketing plans and promotional material for the~~

1 program;

2 ~~(3) prescribe the procedure for, and requirements relating to, the~~  
3 ~~submission and approval of applications;~~

4 ~~(4) do all things necessary and proper to carry out the purposes of this~~  
5 ~~act; and~~

6 ~~(5) adopt any rules and regulations and policies deemed necessary for~~  
7 ~~implementation and administration of the program.~~

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

13 ~~(e) Beginning in calendar year 2009, the treasurer may approve no~~  
14 ~~more than 300 applications from a single district. If 300 applications from~~  
15 ~~residents of a district are not approved in calendar year 2009 or any year~~  
16 ~~thereafter, the treasurer may approve additional applications submitted by~~  
17 ~~residents of the remaining districts up to the program total of 1,200~~  
18 ~~applications per year. Applications shall be approved on a first come, first~~  
19 ~~served basis. The treasurer shall provide written notice, to an applicant, of~~  
20 ~~the approval or nonapproval of such person's application.~~

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

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

1 ~~treasurer to meet the matching obligation due to such participant under~~  
2 ~~subsection (f) for the preceding calendar year.~~

3 ~~(h) (b)~~ The treasurer shall *continue to* ensure that all withdrawals of  
4 matching funds are used for qualified withdrawals under K.S.A. 75-640 et  
5 seq., and amendments thereto.

6 ~~(i)~~ ~~The treasurer shall prepare and submit to the governor and the~~  
7 ~~legislature a report on the program on or before January 31 of each year.~~  
8 ~~Such report shall include the number of accounts opened under the~~  
9 ~~program, the amount of moneys contributed to such accounts by the~~  
10 ~~participants, the amount of matching moneys transferred by the treasurer~~  
11 ~~pursuant to subsection (g), the average income of the participants, an~~  
12 ~~analysis of the success of the program in meeting the purpose of the~~  
13 ~~program and any other information deemed appropriate by the treasurer.~~

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

16 Sec. 2. K.S.A. 2012 Supp. 75-650 is hereby repealed.

17 Sec. 3. This act shall take effect and be in force from and after its  
18 publication in the statute book.