

SENATE BILL No. 473

By Committee on Federal and State Affairs

2-26

1 AN ACT concerning the state treasurer; relating to the low-income family
2 postsecondary savings accounts incentive program; including military
3 servicemember dependent children; allowing contributions from
4 charitable organizations; amending K.S.A. 75-650 and repealing the
5 existing section.
6

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

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

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

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

15 (3) "Qualified individual or family" means an individual or family
16 who resides within the state of Kansas and:

17 (A) Whose household income is positive and not more than 200% of
18 the federal poverty level for the tax year prior to the year in which the
19 application is submitted; or

20 (B) *establishes an account for a dependent who is a qualifying child*
21 *as defined in 26 U.S.C. § 152 and an individual or member of such family:*

22 *(i) Is currently serving in or has separated from the armed forces of the*
23 *United States and was honorably discharged or received a general*
24 *discharge under honorable conditions; or (ii) is currently serving in or*
25 *has retired from the Kansas national guard.*

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

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

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

31 ~~(7) "Third party contributor" means any individual or organization~~
32 ~~who contributes money to a family postsecondary savings account~~
33 ~~established pursuant to K.S.A. 75-640 et seq., and amendments thereto,~~
34 ~~other than the account owner who established such family postsecondary~~
35 ~~savings account for the benefit of the participant. "Charitable~~
36 ~~organization" means an organization with a religious, educational,~~

1 *literary, charitable or scientific purpose that is exempt from federal*
2 *income taxation pursuant to section 501(c)(3) of the federal internal*
3 *revenue code of 1986.*

4 (8) Words and phrases ~~have the meanings~~ *used in this section mean*
5 *the same as* provided by K.S.A. 75-643, and amendments thereto, unless
6 otherwise provided by this section.

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

12 (c) The treasurer shall:

13 (1) Implement and administer the program;

14 (2) develop marketing plans and promotional material for the
15 program;

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

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

20 (5) adopt any rules and regulations and policies deemed necessary for
21 implementation and administration of the program.

22 (d) Applications shall be:

23 (1) Submitted to the treasurer in the manner and form required by the
24 treasurer. ~~Applications shall be;~~

25 (2) accompanied by any information deemed necessary by the
26 treasurer. ~~Applications must be; and~~

27 (3) submitted each year using the applicant's household income from
28 the previous tax year.

29 ~~Beginning in calendar year 2009,~~ The treasurer may approve ~~no~~
30 *not* more than 300 applications from a single district. If 300 applications
31 from residents of a district are not approved in ~~calendar year 2009 or any~~
32 ~~year thereafter,~~ the treasurer may approve additional applications
33 submitted by residents of the remaining districts up to the program total of
34 1,200 applications per year. *Beginning in calendar year 2020, the*
35 *treasurer may approve not more than 300 applications per year from a*
36 *qualified individual or family as defined in subsection (a)(3)(B).*
37 Applications shall be approved on a first come, first served basis. The
38 treasurer shall provide written notice, to an applicant, of the approval or
39 nonapproval of such person's application.

40 (f) *Beginning in calendar year 2020,* the amount of contributions
41 made to ~~an account by an account owner who establishes~~ a family
42 postsecondary savings account *established by a qualified individual or*
43 *family* for the benefit of a participant pursuant to K.S.A. 75-640 et seq.,

1 and amendments thereto, shall be matched by the state on a dollar-for-
2 dollar basis if ~~the account owner contributes~~ at least \$100 *is contributed* to
3 a family postsecondary education savings account for the benefit of the
4 participant during the calendar year for which the application has been
5 approved. The aggregate of all matching amounts for any family
6 postsecondary savings account shall not exceed \$600 in any calendar year.
7 ~~All contributions by a third-party contributor shall be deposited in the~~
8 ~~matching grant account for the participant established by the treasurer or~~
9 ~~another similar account for which the withdrawals are restricted as~~
10 ~~required by subsection (h).~~

11 (g) *Beginning in calendar year 2020, the amount of contributions*
12 *made by a charitable organization to a family postsecondary education*
13 *savings account established by a qualified individual or family for the*
14 *benefit of a participant pursuant to K.S.A. 75-640 et seq., and amendments*
15 *thereto, shall be matched by the state on a dollar-for-dollar basis if at*
16 *least \$100 is contributed to a family postsecondary education savings*
17 *account for the benefit of the participant during the calendar year for*
18 *which the application has been approved. All contributions by a charitable*
19 *organization shall be deposited in an account for which the withdrawals*
20 *are restricted to qualified withdrawals pursuant to K.S.A. 75-640 et seq.,*
21 *and amendments thereto.*

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

35 ~~(h)(i)~~ The treasurer shall ensure that all withdrawals of matching
36 funds are used for qualified withdrawals under K.S.A. 75-640 et seq., and
37 amendments thereto.

38 ~~(i)(j)~~ The treasurer shall prepare and submit to the governor and the
39 legislature a report on the program on or before January 31 of each year.
40 Such report shall include the number of accounts opened under the
41 program, the amount of moneys contributed to such accounts by the
42 participants, the amount of matching moneys transferred by the treasurer
43 pursuant to subsection (g), the average income of the participants, an

1 analysis of the success of the program in meeting the purpose of the
2 program and any other information deemed appropriate by the treasurer.

3 ~~(j)~~(k) The provisions of this section shall be *a* part of and
4 supplemental to the Kansas postsecondary education savings program.

5 Sec. 2. K.S.A. 75-650 is hereby repealed.

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