SENATE BILL No. 473
By Committee on Federal and State Affairs
2-26

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

Be it enacted by the Legislature of the State of Kansas:
Section 1. 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:
   (A) 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; or
   (B) establishes an account for a dependent who is a qualifying child
   as defined in 26 U.S.C. § 152 and an individual or member of such family:
   (i) Is currently serving in or has separated from the armed forces of the
   United States and was honorably discharged or received a general
discharge under honorable conditions; or (ii) is currently serving in or
   has retired from the Kansas national guard.
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 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. "Charitable
organization" means an organization with a religious, educational,
literary, charitable or scientific purpose that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986.

(8) Words and phrases have the meanings used in this section mean the same as 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:

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

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

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

(e) Beginning in calendar year 2009, The treasurer may approve not more than 300 applications from a single district. If 300 applications from residents of a district are not approved in calendar year 2009 or any year thereafter, the treasurer may approve additional applications submitted by residents of the remaining districts up to the program total of 1,200 applications per year. Beginning in calendar year 2020, the treasurer may approve not more than 300 applications per year from a qualified individual or family as defined in subsection (a)(3)(B). 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.

(f) Beginning in calendar year 2020, the amount of contributions made to an account by an account owner who establishes a family postsecondary savings account established by a qualified individual or family 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 is contributed to
a family postsecondary education savings account for the benefit of the
participant during the calendar year for which the application has been
approved. The aggregate of all matching amounts for any family
postsecondary savings account shall not exceed $600 in 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) Beginning in calendar year 2020, the amount of contributions
made by a charitable organization to a family postsecondary education
savings account established by a qualified individual or family 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 at
least $100 is contributed to a family postsecondary education savings
account for the benefit of the participant during the calendar year for
which the application has been approved. All contributions by a charitable
organization shall be deposited in an account for which the withdrawals
are restricted to qualified withdrawals pursuant to K.S.A. 75-640 et seq.,
and amendments thereto.

(h) 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.

(i) 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.

(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.
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 and any other information deemed appropriate by the treasurer.

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

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

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