

Senate Substitute for Substitute HOUSE BILL No. 2004

By Committee on Education

3-15

1 AN ACT concerning the low-income family postsecondary savings
2 account incentive program; amending K.S.A. 2011 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. 2011 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 not
15 more than 200% of the federal poverty level for the tax year prior to the
16 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 ~~(7)~~ (8) Words and phrases have the meanings provided by K.S.A. 75-
28 643, and amendments thereto, unless otherwise provided by this section.

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

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

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

1 state fiscal year. On or before January 31 of each year, the treasurer shall
2 transfer from the Kansas postsecondary education savings program trust
3 fund to the account of each participant the amount determined by the
4 treasurer to meet the matching obligation due to such participant under
5 subsection (f) for the preceding calendar year.

6 (h) The treasurer shall ensure that all withdrawals of matching funds
7 are used for qualified withdrawals under K.S.A. 75-640 *et seq.*, and
8 amendments thereto.

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

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

19 Sec. 2. K.S.A. 2011 Supp. 75-650 is hereby repealed.

20 Sec. 3. This act shall take effect and be in force from and after
21 January 1, 2013, and its publication in the statute book.