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MEMORANDUM

To: House Committee on Children and Seniors

From: Office of Revisor of Statutes

Date: January 24, 2022

Subject: HB 2490; Authorizing the state treasurer to determine account owners and designated beneficiaries for an ABLE savings account, adding who may open such an account and requiring compliance with the federal internal revenue code.

House Bill 2490 proposes modifications to the ABLE savings program to align with changes in federal law. The program is administered by the State Treasurer's office and generally, the program allows individuals with disabilities to establish savings accounts to support each individual's needs and take advantage of certain state and federal tax benefits.

Section 1 amends K.S.A. 75-651, which is the purpose statement of the act, to add that one of the intents of the savings program is to gain the federal and state income tax benefits that are allowed by federal or state law.

Section 2 amends K.S.A. 75-652. In this section, the definition of an "account owner" changes from being only a "conservator or guardian who may be appointed as an account owner for a designated beneficiary who is a minor or lacks capacity to enter into an agreement," to "a conservator, guardian, or person authorized by the treasurer through procedures established by the treasurer" to act on behalf of a designated beneficiary. Also in section 2, the definition of "designated beneficiary" adds "a person authorized by the treasurer pursuant to K.S.A. 75-653, and amendments thereto" which allows the treasurer to authorize residents of other states to participate in the program. The definition of "eligible individual" strictly adopts the definition of an "eligible individual" from the federal internal revenue code.

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Section 3 amends K.S.A. 75-653 to add "state" to the description of tax benefits received by the savings account participants.

Section 4 amends K.S.A. 75-655. The section changes references to definitions in accordance with the new definitions proposed in section 2. The section also includes references to the federal internal revenue code and procedures established by the treasurer's office for program compliance.

These sections would be in effect upon publication in the statute book.