

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 705

FINAL READING

Introduced by Murman, 38.

Read first time January 23, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the achieving a better life experience
- 2 program; to amend section 77-1403, Reissue Revised Statutes of
- 3 Nebraska; to provide for distribution of accounts upon death; and to
- 4 repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1403, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-1403 (1) Unless otherwise permitted under section 529A, the owner
4 of an account shall be the designated beneficiary of the account, except
5 that if the designated beneficiary of the account is a minor or has a
6 custodian or other fiduciary appointed for the purposes of managing such
7 beneficiary's financial affairs, a custodian or fiduciary for such
8 designated beneficiary may serve as the account owner if such form of
9 ownership is permitted or not prohibited under section 529A.

10 (2) Unless otherwise permitted under section 529A, the designated
11 beneficiary of an account shall be a resident of the state or of a
12 contracting state. The State Treasurer shall determine residency of
13 Nebraska residents for such purpose in such manner as may be required or
14 permissible under section 529A or, in the absence of any guidance under
15 section 529A, by such other means as the State Treasurer shall consider
16 advisable for purposes of satisfying the requirements of section 529A.

17 (3) To the extent permitted by federal law, upon the death of a
18 designated beneficiary of an account, the owner of the account or the
19 personal representative of the designated beneficiary may have the
20 balance of the account transferred to another account under the program
21 specified by the owner of the account, the designated beneficiary, or the
22 estate of the designated beneficiary.

23 (4) At the time an account is established under the program and
24 prior to any transfer pursuant to subsection (3) of this section, the
25 State Treasurer shall notify the owner of the account, the designated
26 beneficiary, and the estate of the designated beneficiary, if applicable,
27 of the potential tax consequences of transferring funds pursuant to
28 subsection (3) of this section.

29 (5) Upon the death of a designated beneficiary and after the
30 Department of Health and Human Services has received approval from the
31 Centers for Medicare and Medicaid Services of the United States

1 Department of Health and Human Services:

2 (a) The state shall not seek recovery of any amount remaining in the
3 account of the designated beneficiary for any amount of medical
4 assistance received by the designated beneficiary or his or her spouse or
5 dependent under the medical assistance program pursuant to the Medical
6 Assistance Act after the establishment of the account; and

7 (b) The state shall not file a claim for the payment under
8 subdivision (f) of section 529A of the Internal Revenue Code, as amended.

9 Sec. 2. Original section 77-1403, Reissue Revised Statutes of
10 Nebraska, is repealed.