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MEMORANDUM

To: House Committee on Financial Institutions and Pensions
From: Office of Revisor of Statutes
Date: February 6, 2023
Subject: **HB 2197: Providing a procedure for the distribution of a first-time home buyer savings account balance upon the death of an account holder, changing the term "transfer on death" to "payable on death" and resolving a conflict when beneficiaries differ on a financial institution's account records and tax forms required by the secretary of revenue.**

House Bill No. 2197 amends provisions of the first-time home buyer savings account act to:

1. Add language providing that the naming of a designated beneficiary of a first-time home buyer savings account does not create a survivorship interest in such account for the named designated beneficiary. If an account holder dies, the balance of the account shall be paid to the payable on death beneficiary or if there is no named payable on death beneficiary, in accordance with the provisions of the Kansas probate code.
2. Add language providing that a financial institution may rely on such financial institution's account records for determining a payable on death beneficiary for a first-time home buyer savings account. If the financial institution's records conflict with any tax form required by the secretary of revenue pursuant to the act, the payable on death beneficiary in the financial institution's records shall control.
3. Change the term "transfer on death" to "payable on death" for purposes of the act.

The bill becomes effective upon publication in the statute book, July 1, 2023.