

AMENDMENTS TO LB705

(Amendments to Standing Committee amendments, AM162)

Introduced by Murman, 38.

1           1. Strike amendment 1 and insert the following new amendment:

2           1. Strike the original sections and insert the following new  
3 sections:

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

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

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

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

26           (4) At the time an account is established under the program and

1 prior to any transfer pursuant to subsection (3) of this section, the  
2 State Treasurer shall notify the owner of the account, the designated  
3 beneficiary, and the estate of the designated beneficiary, if applicable,  
4 of the potential tax consequences of transferring funds pursuant to  
5 subsection (3) of this section.

6 (5) Upon the death of a designated beneficiary and after the  
7 Department of Health and Human Services has received approval from the  
8 Centers for Medicare and Medicaid Services of the United States  
9 Department of Health and Human Services:

10 (a) The state shall not seek recovery of any amount remaining in the  
11 account of the designated beneficiary for any amount of medical  
12 assistance received by the designated beneficiary or his or her spouse or  
13 dependent under the medical assistance program pursuant to the Medical  
14 Assistance Act after the establishment of the account; and

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

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