

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 704

Introduced by Murman, 38.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the achieving a better life experience
- 2 program; to amend section 77-1403, Revised Statutes Cumulative
- 3 Supplement, 2022; to provide for distribution of certain account
- 4 balances upon death; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-1403, Revised Statutes Cumulative Supplement,
2 2022, is 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. If the balance of the account on
23 the date of death is less than or equal to five thousand dollars, the
24 owner of the account or the personal representative of the designated
25 beneficiary may also have the balance of the account distributed to an
26 individual or individuals specified by the designated beneficiary, the
27 owner of the account, or the personal representative of the designated
28 beneficiary.

29 (4) At the time an account is established under the program and
30 prior to any transfer or distribution pursuant to subsection (3) of this
31 section, the State Treasurer shall notify the owner of the account, the

1 designated beneficiary, and the estate of the designated beneficiary, if
2 applicable, of the potential tax consequences of transferring or
3 distributing funds pursuant to subsection (3) of this section.

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

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

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

15 Sec. 2. Original section 77-1403, Revised Statutes Cumulative
16 Supplement, 2022, is repealed.