

## LEGISLATIVE BILL 532

Approved by the Governor March 17, 2021

Introduced by Lowe, 37.

A BILL FOR AN ACT relating to property; to amend sections 69-1302, 69-1310, and 69-1318, Reissue Revised Statutes of Nebraska, and sections 24-345, 25-2717, 69-1317, 76-1416, 79-956, 85-1816, 85-1817, and 85-2803, Revised Statutes Cumulative Supplement, 2020; to rename a fund; to change provisions relating to abandoned and unclaimed property under the Uniform Disposition of Unclaimed Property Act, the Uniform Residential Landlord and Tenant Act, and the School Employees Retirement Act; to provide powers and duties for the State Treasurer; to provide for immunity; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 24-345, Revised Statutes Cumulative Supplement, 2020, is amended to read:

24-345 All money, other than witness fees, fines, penalties, forfeitures and license money, that comes into the possession of the clerk of the district court for any county in the State of Nebraska by virtue of his or her office and remains in the custody of the clerk of the district court, uncalled for by the party or parties entitled to the money for a period of three years following the close of litigation in relation to the money, shall be remitted by the clerk of the district court to the State Treasurer on the first Tuesday in January, April, July, or October, respectively, following the expiration of the three-year period, for deposit in the Unclaimed Property Escheat Trust Fund pursuant to section 69-1317. Such payment shall release the bond of the clerk of the district court making such payment from all liability for the money so paid in compliance with this section.

Sec. 2. Section 25-2717, Revised Statutes Cumulative Supplement, 2020, is amended to read:

25-2717 If any fees, money, condemnation awards, legacies, devises, sums due creditors, or costs due or belonging to any heir, legatee, or other person or persons have not been paid to or demanded by the person or persons entitled to the funds within three years from the date the funds were paid to the county judge or his or her predecessors in office, it shall be the duty of the county judge to notify the State Treasurer of the fees, money, condemnation awards, legacies, devises, sums due creditors, or costs remaining. When directed by the State Treasurer, the county judge shall remit the fees, money, condemnation awards, legacies, devises, sums due creditors, or costs to the State Treasurer for deposit in the Unclaimed Property Escheat Trust Fund pursuant to section 69-1317. Such payment shall release the bond of the county judge making such payment of all liability for such fees, money, condemnation awards, legacies, devises, sums due creditors, and costs due to heirs, legatees, or other persons paid in compliance with this section.

Sec. 3. Section 69-1302, Reissue Revised Statutes of Nebraska, is amended to read:

69-1302 The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings, or matured time deposit that is not automatically renewable made in this state with a banking organization, together with any interest or dividends thereon, excluding any charges that may lawfully be withheld, unless the owner has, within five years:

(1) Increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest or dividends; or

(2) Corresponded in writing with the banking organization concerning the deposit; or

(3) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking organization; or

(4) Owned other property to which subdivision (a)(1), (2), or (3) applies and if the banking organization corresponds in writing with the owner with regard to the property that would otherwise be presumed abandoned under subdivision (a) of this section at the address to which correspondence regarding the other property regularly is sent; or

(5) Had another relationship with the banking organization concerning which the owner has:

(i) Corresponded in writing with the banking organization; or

(ii) Otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking organization and if the banking organization corresponds in writing with the owner with regard to the property that would otherwise be abandoned under subdivision (a) of this section at the address to which correspondence regarding the other relationship regularly is sent.

(b) Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit that is not automatically renewable, including a certificate of indebtedness that is not automatically renewable, made therewith in this state, and any interest or dividends thereon,

excluding any charges that may lawfully be withheld, unless the owner has within five years:

(1) Increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) Corresponded in writing with the financial organization concerning the funds or deposit; or

(3) Otherwise indicated an interest in the funds or deposit as evidenced by a memorandum or other record on file with the financial organization; or

(4) Owned other property to which subdivision (b)(1), (2), or (3) applies and if the financial organization corresponds in writing with the owner with regard to the property that would otherwise be presumed abandoned under subdivision (b) of this section at the address to which correspondence regarding the other property regularly is sent; or

(5) Had another relationship with the financial organization concerning which the owner has:

(i) Corresponded in writing with the financial organization; or

(ii) Otherwise indicated an interest as evidenced by a memorandum or other record on file with the financial organization and if the financial organization corresponds in writing with the owner with regard to the property that would otherwise be abandoned under this subdivision (b) of this section at the address to which correspondence regarding the other relationship regularly is sent.

(c) A holder may not, with respect to property described in subdivision (a) or (b) of this section, impose any charges solely due to dormancy or cease payment of interest solely due to dormancy unless there is a written contract between the holder and the owner of the property pursuant to which the holder may impose reasonable charges or cease payment of interest or modify the imposition of such charges and the conditions under which such payment may be ceased. A holder of such property who imposes charges solely due to dormancy may not increase such charges with respect to such property during the period of dormancy. The contract required by this subdivision may be in the form of a signature card, deposit agreement, or similar agreement which contains or incorporates by reference (1) the holder's schedule of charges and the conditions, if any, under which the payment of interest may be ceased or (2) the holder's rules and regulations setting forth the holder's schedule of charges and the conditions, if any, under which the payment of interest may be ceased.

(d)(1) Any time deposit that is automatically renewable, including a certificate of indebtedness that is automatically renewable, made in this state with a banking or financial organization, together with any interest thereon, seven years after the expiration of the initial time period or any renewal time period unless the owner has, during such initial time period or renewal time period:

(i) Increased or decreased the amount of the deposit, or presented an appropriate record or other similar evidence of the deposit for the crediting of interest;

(ii) Corresponded in writing with the banking or financial organization concerning the deposit;

(iii) Otherwise indicated an interest in the deposit as evidenced by a memorandum or other record on file with the banking or financial organization;

(iv) Owned other property to which subdivision (d)(1)(i), (ii), or (iii) of this section applies and if the banking or financial organization corresponds in writing with the owner with regard to the property that would otherwise be presumed abandoned under subdivision (d) of this section at the address to which correspondence regarding the other property regularly is sent; or

(v) Had another relationship with the banking or financial organization concerning which the owner has:

(A) Corresponded in writing with the banking or financial organization; or

(B) Otherwise indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization and if the banking or financial organization corresponds in writing with the owner with regard to the property that would otherwise be abandoned under subdivision (d) of this section at the address to which correspondence regarding the other relationship regularly is sent.

(2) If, at the time provided for delivery in section 69-1310, a penalty or forfeiture in the payment of interest would result from the delivery of a time deposit subject to subdivision (d) of this section, the time for delivery shall be extended until the time when no penalty or forfeiture would result.

(e) Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, certificates of deposit that are not automatically renewable, drafts, money orders, and traveler's checks, that, with the exception of money orders and traveler's checks, has been outstanding for more than five years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of (i) money orders, that has been outstanding for more than seven years from the date of issuance and (ii) traveler's checks, that has been outstanding for more than fifteen years from the date of issuance, unless the owner has within five years, or within seven years in the case of money orders and within fifteen years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an

interest as evidenced by a memorandum or other record on file with the banking or financial organization or business association.

(f) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository or agency or collateral deposit box in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that have been unclaimed by the owner for more than three five years from the date on which the lease or rental period expired. If the State Treasurer or his or her designee determines after investigation that any delivered property has insubstantial commercial value, the State Treasurer or his or her designee may destroy or otherwise dispose of the property at any time. No action or proceeding may be maintained against the state or any officer or against the banking or financial organization for or on account of any action taken by the State Treasurer pursuant to this subdivision.

(g) For the purposes of this section failure of the United States mails to return a letter, duly deposited therein, first-class postage prepaid, to the last-known address of an owner of tangible or intangible property shall be deemed correspondence in writing and shall be sufficient to overcome the presumption of abandonment created herein. A memorandum or writing on file with such banking or financial organization shall be sufficient to evidence such failure.

Sec. 4. Section 69-1310, Reissue Revised Statutes of Nebraska, is amended to read:

69-1310 (a) Every person holding funds or other property, tangible or intangible, presumed abandoned under the Uniform Disposition of Unclaimed Property Act shall report to the State Treasurer with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) Except with respect to traveler's checks and money orders, the name, if known, and last-known address, if any, of each person appearing from the records of the holder to be the owner of any property presumed abandoned under the act;

(2) In case of unclaimed funds of life insurance corporations, the full name of the insured or annuitant and his or her last-known address according to the life insurance corporation's records;

(3) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, ~~except that items of less than twenty-five dollars may be reported in the aggregate;~~

(4) The date when the property became payable, demandable, or returnable, and the date of the last transaction with the owner with respect to the property; and

(5) Other information which the State Treasurer may prescribe by rule as necessary for the administration of the act.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his or her name while holding the property, he or she shall file with his or her report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. A one-time supplemental report shall be filed by life insurance corporations with regard to property subject to section 69-1307.05 before November 1, 2003, as of December 31, 2002, as if section 69-1307.05 had been in effect before January 1, 2003. The property must accompany the report unless excused by the State Treasurer for good cause. The State Treasurer may postpone the reporting date upon written request by any person required to file a report. Any person holding intangible property presumed abandoned due to be reported with a cumulative value of fifty dollars or less in a single reporting year shall not be required to report the property in that year but shall report the property in any year when the property value or total report value exceeds fifty dollars.

(e) If the holder of property presumed abandoned under the act knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, communicate with the owner and take necessary steps to prevent abandonment from being presumed. The holder shall exercise due diligence to ascertain the whereabouts of the owner.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by a limited liability company, by a member; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer.

Sec. 5. Section 69-1317, Revised Statutes Cumulative Supplement, 2020, is amended to read:

69-1317 (a)(1) Except as otherwise provided in this subdivision, all funds received under the Uniform Disposition of Unclaimed Property Act, including the proceeds from the sale of abandoned property under section 69-1316, shall be deposited by the State Treasurer into the Unclaimed Property Escheat Trust Fund from which he or she shall make prompt payment of claims allowed pursuant to the act and payment of any expenses related to unclaimed property. All funds received under section 69-1307.05 shall be deposited by the State Treasurer into the Unclaimed Property Escheat Trust Fund from which he or she shall make

prompt payment of claims regarding such funds allowed pursuant to the act. Transfers from the Unclaimed Property Escheat Trust Fund to the General Fund may be made at the direction of the Legislature. Before making the deposit he or she shall record the name and last-known address of each person appearing from the holders' reports to be entitled to the abandoned property, the name and last-known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection during business hours. The separate life insurance corporation demutualization trust fund terminates on March 13, 2019, and the State Treasurer shall transfer any money in the fund on such date to the Unclaimed Property Escheat Trust Fund.

The record shall not be subject to public inspection or available for copying, reproduction, or scrutiny by commercial or professional locators of property presumed abandoned who charge any service or finders' fee until twenty-four months after the names from the holders' reports have been published or officially disclosed. Records concerning the social security number, date of birth, and last-known address of an owner shall be treated as confidential and subject to the same confidentiality as tax return information held by the Department of Revenue, except that the Auditor of Public Accounts shall have unrestricted access to such records.

A professional finders' fee shall be limited to ten percent of the total dollar amount of the property presumed abandoned. To claim any such fee, the finder shall disclose to the owner the nature, location, and value of the property, provide notice of when such property was reported to the State Treasurer, and provide notice that the property may be claimed by the owner from the State Treasurer free of charge. To claim any such fee if the property has not yet been abandoned, the finder shall disclose to the owner the nature, location, and value of the property, provide notice of when such property will be reported to the State Treasurer, if known, and provide notice that, upon receipt of the property by the State Treasurer, such property may be claimed by the owner from the State Treasurer free of charge.

(2) The unclaimed property records of the State Treasurer, the unclaimed property reports of holders, and the information derived by an unclaimed property examination or audit of the records of a person or otherwise obtained by or communicated to the State Treasurer may be withheld from the public. Any record or information that may be withheld under the laws of this state or of the United States when in the possession of such a person may be withheld when revealed or delivered to the State Treasurer. Any record or information that is withheld under any law of another state when in the possession of that other state may be withheld when revealed or delivered by the other state to the State Treasurer.

Information withheld from the general public concerning any aspect of unclaimed property shall only be disclosed to an apparent owner of the property or to the escheat, unclaimed, or abandoned property administrators or officials of another state if that other state accords substantially reciprocal privileges to the State Treasurer.

(b) On or before November 1 of each year, the State Treasurer shall distribute any balance in excess of one million dollars from the Unclaimed Property Escheat Trust Fund to the permanent school fund.

(c) Before making any deposit to the credit of the permanent school fund or the General Fund, the State Treasurer may deduct any costs related to unclaimed property and place such funds in the Unclaimed Property Cash Fund which is hereby created. Transfers from the fund to the General Fund may be made at the direction of the Legislature. Any money in the Unclaimed Property Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 6. Section 69-1318, Reissue Revised Statutes of Nebraska, is amended to read:

69-1318 (1) Any person claiming an interest in any property delivered to the state under section sections 24-345 and the Uniform Disposition of Unclaimed Property Act, ~~and 69-1301 to 69-1329~~ may file a claim thereto or to the proceeds from the sale thereof on the form prescribed by the State Treasurer.

(2) As directed by the claimant, the State Treasurer or his or her designee shall pay over or deliver any property, proceeds, and other sums payable to the claimant, to a nonprofit organization nominated by the State Treasurer.

Sec. 7. Section 76-1416, Revised Statutes Cumulative Supplement, 2020, is amended to read:

76-1416 (1) A landlord may not demand or receive security, however denominated, in an amount or value in excess of one month's periodic rent, except that a pet deposit not in excess of one-fourth of one month's periodic rent may be demanded or received when appropriate, but this subsection shall not be applicable to housing agencies organized or existing under the Nebraska Housing Agency Act.

(2) Upon termination of the tenancy, property or money held by the landlord as prepaid rent and security may be applied to the payment of rent and the amount of damages which the landlord has suffered by reason of the tenant's noncompliance with the rental agreement or section 76-1421. The balance, if any, and a written itemization shall be delivered or mailed to the tenant within fourteen days after the date of termination of the tenancy. If no

mailing address or instructions are provided by the tenant to the landlord, the landlord shall mail, by first-class mail, the balance of the security deposit to be returned, if any, and a written itemization of the amount of the security deposit not returned to the tenant's last-known mailing address. If the mailing is returned as undeliverable, or if the returned balance of the security deposit remains outstanding for one year, it shall be considered abandoned property to be reported and paid to the State Treasurer in accordance with thirty days after the date of the mailing, the landlord shall, not later than sixty days after the date of the mailing, remit the outstanding balance of the security deposit to the State Treasurer for disposition pursuant to the Uniform Disposition of Unclaimed Property Act.

(3) If the landlord fails to comply with subsection (2) of this section, the tenant may recover the property and money due him or her, court costs, and reasonable attorney's fees. In addition, if the landlord's failure to comply with subsection (2) of this section is willful and not in good faith, the tenant may recover an amount equal to one month's periodic rent or two times the amount of the security deposit, whichever is less, as liquidated damages.

(4) This section does not preclude the landlord or tenant from recovering other damages to which he or she may be entitled under the Uniform Residential Landlord and Tenant Act. However, a tenant shall not be liable for damages directly related to the tenant's removal from the premises by order of any governmental entity as a result of the premises not being fit for habitation due to the negligence or neglect of the landlord.

(5) The holder of the landlord's interest in the premises at the time of the termination of the tenancy is bound by this section.

Sec. 8. Section 79-956, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-956 (1)(a) Except as provided in section 42-1107, if a member dies before the member's retirement date, the member's accumulated contributions shall be paid pursuant to section 79-969.

(b) Except for payment to an alternative payee pursuant to a qualified domestic relations order, if no legal representative or beneficiary applies for such accumulated contributions ~~within five years following the date of the deceased member's death~~, the contributions shall be distributed in accordance with the Uniform Disposition of Unclaimed Property Act.

(2) When the deceased member has twenty years or more of creditable service regardless of age or dies on or after his or her sixty-fifth birthday and leaves a surviving spouse who has been designated by the member as the sole surviving primary beneficiary, on forms provided by the board, as of the date of the member's death, such beneficiary may elect, within twelve months after the death of the member, to receive (a) a refund of the member's contribution account balance, including interest, plus an additional one hundred one percent of the member's contribution account balance, including interest, or (b) an annuity which shall be equal to the amount that would have accrued to the member had he or she elected to have the retirement annuity paid as a one-hundred-percent joint and survivor annuity payable as long as either the member or the member's spouse should survive and had the member retired (i) on the date of death if his or her age at death is sixty-five years or more or (ii) at age sixty-five years if his or her age at death is less than sixty-five years.

(3) When the deceased member who was a school employee on or after May 1, 2001, has not less than five years of creditable service and less than twenty years of creditable service and dies before his or her sixty-fifth birthday and leaves a surviving spouse who has been designated in writing as beneficiary and who, as of the date of the member's death, is the sole surviving primary beneficiary, such beneficiary may elect, within twelve months after the death of the member, to receive (a) a refund of the member's contribution account balance with interest plus an additional one hundred one percent of the member's contribution account balance with interest or (b) an annuity payable monthly for the surviving spouse's lifetime which shall be equal to the benefit amount that had accrued to the member at the date of the member's death, commencing when the member would have reached age sixty, or the member's age at death if greater, reduced by three percent for each year payments commence before the member would have reached age sixty-five, and adjusted for payment in the form of a one-hundred-percent joint and survivor annuity.

(4)(a) If the requirements of subsection (2) or (3) of this section are not met, a lump sum equal to all contributions to the fund made by such member plus regular interest shall be paid pursuant to section 79-969.

(b) An application for benefits under subsection (2) or (3) of this section shall be deemed to have been timely filed if the application is received by the retirement system within twelve months after the date of the death of the member.

(5) Benefits to which a surviving spouse, beneficiary, or estate of a member shall be entitled pursuant to this section shall commence immediately upon the death of such member.

(6) A lump-sum death benefit paid to the member's beneficiary, other than the member's estate, that is an eligible distribution may be distributed in the form of a direct transfer to a retirement plan eligible to receive such transfer under the provisions of the Internal Revenue Code.

(7) For any member whose death occurs on or after January 1, 2007, while performing qualified military service as defined in section 414(u) of the Internal Revenue Code, the member's beneficiary shall be entitled to any additional death benefit that would have been provided, other than the accrual of any benefit relating to the period of qualified military service. The

additional death benefit shall be determined as if the member had returned to employment with the employer and such employment had terminated on the date of the member's death.

Sec. 9. Section 85-1816, Revised Statutes Cumulative Supplement, 2020, is amended to read:

85-1816 (1) The Employer Matching Contribution Incentive Program is created. The program shall begin on January 1, 2022, and shall be implemented and administered by the State Treasurer. The purpose of the program is to encourage employers to make matching contributions by providing incentive payments for such contributions.

(2) For purposes of this section:

(a) Employer means any individual, partnership, limited liability company, association, corporation, business trust, legal representative, or organized group of persons employing one or more employees at any one time, but such term does not include the United States, the state, or any political subdivision thereof; and

(b) Matching contribution means a contribution made by an employer to an account established under the Nebraska educational savings plan trust in an amount matching all or part of a contribution made to that same account by an individual who resided in the State of Nebraska during the most recently completed taxable year and is an employee of such employer.

(3) Beginning January 1, 2022, an employer shall be eligible to receive an incentive payment under this section if the employer made matching contributions during the immediately preceding calendar year.

(4) In order to receive an incentive payment under this section, an employer shall submit an application to the State Treasurer on forms prescribed by the State Treasurer. The State Treasurer shall accept applications from January 1 to June 1 of each year beginning in 2022. The application shall include:

(a) The number of employees for whom matching contributions were made in the immediately preceding calendar year;

(b) The amount of the matching contributions made in the immediately preceding calendar year for each employee; and

(c) Any other information required by the State Treasurer.

(5) If the State Treasurer determines that the employer qualifies for an incentive payment under this section, the State Treasurer shall approve the application and shall notify the employer of the approval. The State Treasurer may approve applications until the annual limit provided in subsection (6) of this section has been reached. An employer whose application is approved shall receive an incentive payment equal to twenty-five percent of the total matching contributions made during the immediately preceding calendar year, not to exceed two thousand dollars per contributing employee per year. An employer shall not receive an incentive payment for a matching contribution if the employer claimed an income tax deduction pursuant to subdivision (8)(b) of section 77-2716 for such matching contribution. Employers shall be limited to one incentive payment per beneficiary. The matching contributions for which incentive payments are made shall not be used to pay expenses associated with attending kindergarten through grade twelve.

(6) The State Treasurer may approve a total of two hundred fifty thousand dollars of incentive payments each calendar year.

(7) On or before June 30, 2022, and on or before June 30 of each year thereafter, the State Treasurer shall determine the total amount of incentive payments approved for the year, shall transfer such amount from the College Savings Plan Expense Fund or the Unclaimed Property Escheat Trust Fund, as determined by the State Treasurer, to the College Savings Incentive Cash Fund, and shall distribute such incentive payments to the approved employers.

(8) The State Treasurer may adopt and promulgate rules and regulations to carry out the Employer Matching Contribution Incentive Program.

Sec. 10. Section 85-1817, Revised Statutes Cumulative Supplement, 2020, is amended to read:

85-1817 (1) Beginning January 1, 2022, there is hereby established the College Savings Plan Low-Income Matching Scholarship Program. The purpose of the program is to encourage private contributions to accounts established under the Nebraska educational savings plan trust for the benefit of individuals with limited means. The State Treasurer shall implement and administer the program.

(2) A participant shall be eligible for the program if the beneficiary for whom private contributions are made is part of a family whose household income for the most recently completed taxable year is not more than two hundred fifty percent of the federal poverty level and the beneficiary is a resident of the State of Nebraska.

(3) Applications for participation in the program shall be submitted to the State Treasurer on forms prescribed by the State Treasurer. If the requirements of subsection (2) of this section are met, the State Treasurer shall approve the application and notify the applicant of the approval. The State Treasurer may approve applications until the annual limit provided in subsection (7) of this section has been reached.

(4) Any participant who is approved for the program under subsection (3) of this section must resubmit an application each year thereafter and be reapproved in order to continue participation in the program.

(5) If a participant is approved for the program, any contribution made by such participant under the program shall be matched with scholarship funds provided by the State of Nebraska. The matching scholarship shall be equal to:

(a) One hundred percent of the participant's contribution if the

beneficiary for whom the contribution is made is part of a family whose household income for the most recently completed taxable year is more than two hundred percent of the federal poverty level but not more than two hundred fifty percent of the federal poverty level, not to exceed one thousand dollars annually; or

(b) Two hundred percent of the participant's contribution if the beneficiary for whom the contribution is made is part of a family whose household income for the most recently completed taxable year is not more than two hundred percent of the federal poverty level, not to exceed one thousand dollars annually.

(6) Between January 1 and January 31 of each year, the State Treasurer shall transfer the amount necessary to meet the matching obligations of this section for the preceding calendar year, minus the amount of any private contributions received pursuant to subsection (1) of section 85-1815 during the preceding calendar year, from the College Savings Plan Expense Fund or the Unclaimed Property ~~Escheat~~ Trust Fund, as determined by the State Treasurer, to the College Savings Incentive Cash Fund. The State Treasurer shall transfer from the College Savings Incentive Cash Fund to the College Savings Plan Program Fund the amount necessary to meet the matching obligations of this section for the preceding calendar year. The Nebraska educational savings plan trust shall own all scholarships awarded under this section. Neither the participant nor the beneficiary shall have any ownership rights to or interest in, title to, or power or control over such scholarships. Scholarship funds disbursed shall only be used to pay the qualified higher education expenses associated with attending an eligible educational institution located in this state and shall not be used to pay expenses associated with attending kindergarten through grade twelve. Any disbursement of such scholarships shall be made before the beneficiary reaches thirty years of age. Once the beneficiary reaches thirty years of age, any unused scholarship funds shall be transferred to the Meadowlark Endowment Fund.

(7) The State Treasurer may approve a total of two hundred fifty thousand dollars of scholarships each calendar year under the College Savings Plan Low-Income Matching Scholarship Program.

Sec. 11. Section 85-2803, Revised Statutes Cumulative Supplement, 2020, is amended to read:

85-2803 (1) There is hereby established in the state treasury a trust fund to be known as the Meadowlark Endowment Fund. The fund shall be administered by the State Treasurer and shall consist of qualified private contributions and any amounts appropriated or transferred to the fund by the Legislature. No General Funds shall be transferred to the Meadowlark Endowment Fund. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. No portion of the principal of the fund shall be expended for any purpose except investment pursuant to this subsection.

(2) The State Treasurer may accept qualified private contributions and shall credit all such contributions received either to the Meadowlark Endowment Fund or to accounts opened under the Meadowlark Program, at the direction of the donor. Such contributions shall not be used to pay expenses associated with attending kindergarten through grade twelve.

(3) On or before April 1 of each year, the State Treasurer shall determine the total amount of qualified private contributions received under subsection (2) of this section in the previous calendar year and shall transfer an equal amount from the College Savings Plan Expense Fund or the Unclaimed Property ~~Escheat~~ Trust Fund, as determined by the State Treasurer, to the Meadowlark Endowment Fund or to accounts opened under the Meadowlark Program. For any amount transferred from the College Savings Plan Expense Fund or the Unclaimed Property ~~Escheat~~ Trust Fund that is not being transferred to the Meadowlark Endowment Fund, the State Treasurer shall evenly distribute such amount to the accounts opened under the Meadowlark Program in the previous calendar year.

Sec. 12. Original sections 69-1302, 69-1310, and 69-1318, Reissue Revised Statutes of Nebraska, and sections 24-345, 25-2717, 69-1317, 76-1416, 79-956, 85-1816, 85-1817, and 85-2803, Revised Statutes Cumulative Supplement, 2020, are repealed.