

SB 82 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Sub-Referral To: Senate Committee On Finance and Revenue

Meeting Dates: 2/4

WHAT THE MEASURE DOES:

Creates Individual Development Account Fund. Appropriates continuously to Oregon Housing and Community Services for individual development account (IDA) program administration. Increases maximum allowable matching funds accrual from \$3,000 to \$6,000 per year. Expands purpose and allowable uses of savings in individual development accounts.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Individual Development Account (IDA) program is designed to support low income individuals' and households' financial goals through matched savings contracts with fiduciary organizations. Program participants must complete financial education and follow a savings plan. Generally, IDAs are used to save for education, small business startups, and down payments on homes.

Individuals or businesses donating to the state-selected nonprofit for IDAs (currently Neighborhood Partnerships) may be eligible to claim an income tax credit equal to 75 percent of the amount donated. Contributions are applied toward matching account holders' savings and program-related expenses of the fiduciary organization. The tax credit is set to expire January 1, 2022.

Senate Bill 82 creates a new, replacement IDA Fund, separate from the General Fund, for continuous appropriation to Oregon Housing and Community Services for IDA program administration. The measure also increases the maximum allowable matching funds accrual from \$3,000 to \$6,000 per year while expanding the purpose and allowable uses of IDA savings.