

## SENATE AMENDMENTS TO SENATE BILL 825

By COMMITTEE ON FINANCE AND REVENUE

June 16

- 1 On page 1 of the printed bill, line 2, after “ORS” insert “316.796,”.
- 2 Delete lines 5 through 29 and delete pages 2 and 3 and insert:
- 3 “**SECTION 1. Sections 2 and 3 of this 2023 Act are added to and made a part of ORS**
- 4 **316.796 to 316.803.**
- 5 “**SECTION 2. (1) For each tax year in which a taxpayer claims a subtraction or exemption**
- 6 **under ORS 316.798, the taxpayer shall maintain the records described in subsection (2) of this**
- 7 **section, and any other records as required by the Department of Revenue under ORS 316.796**
- 8 **to 316.803.**
- 9 “**(2) A taxpayer shall maintain, and shall furnish to the department upon the request of**
- 10 **the department, the following:**
- 11 “**(a) Account statements that show the contributions made during the tax year and the**
- 12 **taxable interest or earnings on the account in the tax year for which the subtraction or ex-**
- 13 **emption is claimed;**
- 14 “**(b) The information return issued by the financial institution for the account for the tax**
- 15 **year for which the subtraction or exemption is claimed; and**
- 16 “**(c) Upon a withdrawal of funds from a first-time home buyer savings account, a copy**
- 17 **of the real estate settlement statement demonstrating that the withdrawal was used for el-**
- 18 **igible costs.**
- 19 “**SECTION 3. (1) The Department of Revenue may adopt rules to administer ORS 316.796**
- 20 **to 316.803. Rules adopted under this section may not impose administrative, reporting or**
- 21 **other obligations or requirements on financial institutions related to first-time home buyer**
- 22 **savings accounts.**
- 23 “**(2) The department may prepare and distribute informational materials regarding the**
- 24 **first-time home buyer savings account to financial institutions and potential home buyers**
- 25 **to publicize the availability of first-time home buyer savings accounts.**
- 26 “**SECTION 4. ORS 316.796 is amended to read:**
- 27 “316.796. As used in ORS 316.796 to 316.803:
- 28 “(1) ‘Account holder’ means [*a first-time home buyer*] **an individual** who establishes a first-time
- 29 home buyer savings account.
- 30 “(2) ‘Allowable closing costs’ means disbursements listed in a settlement statement for the pur-
- 31 chase of a single family residence by an account holder **or a qualified beneficiary.**
- 32 “(3) ‘Eligible costs’ means the down payment and allowable closing costs for the purchase of a
- 33 single family residence by an account holder **or a qualified beneficiary.**
- 34 “(4) ‘Financial institution’ means a bank, a trust company, a commercial bank, a national bank,
- 35 a savings bank, a savings and loan, a thrift institution, a credit union, an insurance company, a

1 mutual fund, an investment firm or a similar entity authorized to do business in this state.

2 “(5) ‘First-time home buyer’ means an individual who is a resident of this state and has not  
3 owned or purchased, either individually or jointly, a single family residence during a period of three  
4 years prior to the date of the purchase of a single family residence.

5 “(6) ‘First-time home buyer savings account’ or ‘account’ means an account established as a  
6 first-time home buyer savings account [*by written agreement between an account holder and a finan-*  
7 *cial institution and*] that the account holder designates for the purpose of paying or reimbursing el-  
8 igible costs for the purchase of a single family residence in this state by the account holder **or by**  
9 **a qualified beneficiary.**

10 “(7) **‘Qualified beneficiary’ means an individual who is designated by an account holder**  
11 **as the account holder’s intended recipient of funds to be withdrawn from a first-time home**  
12 **buyer savings account and used for purposes consistent with ORS 316.796 to 316.803.**

13 “[7] (8) ‘Resident of this state’ has the meaning given that term in ORS 316.027.

14 “[8] (9) ‘Settlement statement’ means the statement of receipts and disbursements for a trans-  
15 action related to real estate, including a statement prescribed under the Real Estate Settlement  
16 Procedures Act of 1974, 12 U.S.C. 2601 et seq., and regulations thereunder.

17 “[9] (10) ‘Single family residence’ means a residence intended for occupation by a single family  
18 unit that is owned and occupied [*by an account holder as the account holder’s*] **as the principal res-**  
19 **idence of the account holder or a qualified beneficiary.** ‘Single family residence’ includes a man-  
20 ufactured home, residential trailer, mobile home or condominium unit.

21 “[10] (11) ‘Taxable income’ has the meaning given that term in ORS 316.022.

22 “**SECTION 5.** ORS 316.797 is amended to read:

23 “316.797. (1) An individual may create a first-time home buyer savings account with a financial  
24 institution to be used to pay or reimburse [*the account holder’s*] eligible costs related to the purchase  
25 of a single family residence [*by entering into a first-time home buyer savings account agreement with*  
26 *the financial institution*] **by an account holder or qualified beneficiary.**

27 “(2) An individual may jointly own a first-time home buyer savings account with another person  
28 if the joint account holders [*are both first-time home buyers and*] file a joint income tax return.

29 “(3) An individual may not be the account holder of more than one first-time home buyer savings  
30 account.

31 “(4) Only cash may be contributed to a first-time home buyer savings account. Subject to the  
32 limitations of ORS 316.798 (4), persons other than the account holder may contribute funds to a  
33 first-time home buyer savings account. There is no limitation on the amount of contributions that  
34 may be made to or retained in a first-time home buyer savings account.

35 “(5) The account holder may not use funds held in a first-time home buyer savings account to  
36 pay expenses of administering the account, except that the financial institution that administers the  
37 account may deduct a service fee from the account.

38 “(6) An account holder may withdraw all or part of the funds from a first-time home buyer  
39 savings account and deposit the funds in a new first-time home buyer savings account held by a  
40 different financial institution or the same financial institution.

41 “[7] *No financial institution is required to offer first-time home buyer savings accounts to cus-*  
42 *tomers of the institution.*]

43 “**SECTION 6.** ORS 316.803 is amended to read:

44 “316.803. (1) On or before January 31 of each **calendar year, for calendar years beginning**  
45 **before January 1, 2024,** a financial institution at which an account holder has created a first-time

1 home buyer savings account shall provide to the account holder a certificate containing the follow-  
2 ing information:

3 “(a) The date when the account was created;

4 “(b) The name of the account holder;

5 “(c) The amount of funds contributed to the account during the tax year;

6 “(d) The amount of funds withdrawn from the account during the tax year; and

7 “(e) Any other information as required by rules adopted by the Department of Revenue.

8 “(2) A financial institution is not required to:

9 “(a) Track the use of moneys withdrawn from a first-time home buyer savings account; [*or*]

10 “(b) Allocate funds in a first-time home buyer savings account among joint account holders[.];

11 **or**

12 **“(c) Designate an account as a first-time home buyer savings account, including in the**  
13 **account contracts or systems of the financial institution.**

14 **“(3) An account holder or a joint account holder may designate an account at a financial**  
15 **institution as a first-time home buyer savings account and may designate a proposed first-**  
16 **time home buyer as the qualified beneficiary of the account. The designations required under**  
17 **this subsection shall be made to the Department of Revenue, in a form and manner pre-**  
18 **scribed by the department. The department may provide a means by which the designations**  
19 **required under this subsection are indicated on an income tax return filed by the account**  
20 **holder.**

21 “[~~(3)~~] (4) A financial institution is not responsible or liable for:

22 “(a) Determining or ensuring that an account satisfies the requirements to be a first-time home  
23 buyer savings account;

24 “(b) Determining or ensuring that funds in a first-time home buyer savings account are used for  
25 eligible costs; or

26 “(c) Reporting or remitting taxes or penalties related to the use of a first-time home buyer  
27 savings account.

28 “[~~(4)~~] (5) Upon being furnished proof of the death of the account holder and such other infor-  
29 mation required by the contract governing the first-time home buyer savings account, a financial  
30 institution shall distribute the principal and accumulated interest or other income in the first-time  
31 home buyer savings account in accordance with the terms of the contract governing the account.

32 **“SECTION 7. Sections 2 and 3 of this 2023 Act and the amendments to ORS 316.796,**  
33 **316.797 and 316.803 by sections 4 to 6 of this 2023 Act apply to first-time home buyer savings**  
34 **accounts created on or after January 1, 2024.**

35 **“SECTION 8. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
36 **regular session of the Eighty-second Legislative Assembly adjourns sine die.”**