

Requested by Senator MEEK

**PROPOSED AMENDMENTS TO
SENATE BILL 825**

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**
4 **made a part of ORS 316.796 to 316.803.**

5 **“SECTION 2. (1) For each tax year in which a taxpayer claims a**
6 **subtraction or exemption under ORS 316.798, the taxpayer shall main-**
7 **tain the records described in subsection (2) of this section, and any**
8 **other records as required by the Department of Revenue under ORS**
9 **316.796 to 316.803, for at least four years.**

10 **“(2) A taxpayer shall maintain, and shall furnish to the department**
11 **upon the request of the department, the following:**

12 **“(a) Account statements that show the contributions made during**
13 **the tax year and the taxable interest or earnings on the account in the**
14 **tax year for which the subtraction or exemption is claimed;**

15 **“(b) The information return issued by the financial institution for**
16 **the account for the tax year for which the subtraction or exemption**
17 **is claimed; and**

18 **“(c) Upon a withdrawal of funds from a first-time home buyer**
19 **savings account, a copy of the real estate settlement statement dem-**
20 **onstrating that the withdrawal was used for eligible costs.**

21 **“SECTION 3. (1) The Department of Revenue may adopt rules to**

1 **administer ORS 316.796 to 316.803. Rules adopted under this section**
2 **may not impose administrative, reporting or other obligations or re-**
3 **quirements on financial institutions related to first-time home buyer**
4 **savings accounts.**

5 **“(2) The department may prepare and distribute informational ma-**
6 **terials regarding the first-time home buyer savings account to finan-**
7 **cial institutions and potential home buyers to publicize the availability**
8 **of first-time home buyer savings accounts.**

9 **“SECTION 4.** ORS 316.796 is amended to read:

10 “316.796. As used in ORS 316.796 to 316.803:

11 “(1) ‘Account holder’ means a first-time home buyer who establishes a
12 first-time home buyer savings account.

13 “(2) ‘Allowable closing costs’ means disbursements listed in a settlement
14 statement for the purchase of a single family residence by an account holder
15 **or a qualified beneficiary.**

16 “(3) ‘Eligible costs’ means the down payment and allowable closing costs
17 for the purchase of a single family residence by an account holder **or a**
18 **qualified beneficiary.**

19 “(4) ‘Financial institution’ means a bank, a trust company, a commercial
20 bank, a national bank, a savings bank, a savings and loan, a thrift institu-
21 tion, a credit union, an insurance company, a mutual fund, an investment
22 firm or a similar entity authorized to do business in this state.

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

27 “(6) ‘First-time home buyer savings account’ or ‘account’ means an ac-
28 count established as a first-time home buyer savings account by written
29 agreement between an account holder and a financial institution and that
30 the account holder designates for the purpose of paying or reimbursing eli-

1 gible costs for the purchase of a single family residence in this state by the
2 account holder **or by a qualified beneficiary.**

3 “(7) ‘Qualified beneficiary’ means an individual who is designated
4 by an account holder as the account holder’s intended recipient of
5 funds withdrawn from a first-time home buyer savings account.

6 “[7] (8) ‘Resident of this state’ has the meaning given that term in ORS
7 316.027.

8 “[8] (9) ‘Settlement statement’ means the statement of receipts and dis-
9 bursements for a transaction related to real estate, including a statement
10 prescribed under the Real Estate Settlement Procedures Act of 1974, 12
11 U.S.C. 2601 et seq., and regulations thereunder.

12 “[9] (10) ‘Single family residence’ means a residence intended for occu-
13 pation by a single family unit that is owned and occupied by an account
14 holder as the [account holder’s] principal residence **of the account holder**
15 **or the qualified beneficiary.** ‘Single family residence’ includes a manu-
16 factured home, residential trailer, mobile home or condominium unit.

17 “[10] (11) ‘Taxable income’ has the meaning given that term in ORS
18 316.022.

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

20 “316.797. (1) An individual may create a first-time home buyer savings
21 account with a financial institution to be used to pay or reimburse [the ac-
22 count holder’s] eligible costs related to the purchase of a single family resi-
23 dence [by entering into a first-time home buyer savings account agreement with
24 the financial institution] **by an account holder or qualified beneficiary.**

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

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

30 “(4) Only cash may be contributed to a first-time home buyer savings ac-

1 count. Subject to the limitations of ORS 316.798 (4), persons other than the
2 account holder may contribute funds to a first-time home buyer savings ac-
3 count. There is no limitation on the amount of contributions that may be
4 made to or retained in a first-time home buyer savings account.

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

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

13 “[*(7) No financial institution is required to offer first-time home buyer*
14 *savings accounts to customers of the institution.*]

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

16 “316.803. (1) On or before January 31 of each **calendar** year, **for calendar**
17 **years beginning before January 1, 2024**, a financial institution at which
18 an account holder has created a first-time home buyer savings account shall
19 provide to the account holder a certificate containing the following infor-
20 mation:

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

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

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

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

26 “(e) Any other information as required by rules adopted by the Depart-
27 ment of Revenue.

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

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

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

3 **“(c) Designate an account as a first-time home buyer savings ac-
4 count, including in the account contracts or systems of the financial
5 institution.**

6 **“(3) An account holder or a joint account holder may designate an
7 account at a financial institution as a first-time home buyer savings
8 account and may designate a proposed first-time home buyer as the
9 qualified beneficiary of the account. The designations required under
10 this subsection shall be made to the Department of Revenue, in a form
11 and manner prescribed by the department. The department may pro-
12 vide a means by which the designations required under this subsection
13 are indicated on an income tax return filed by the account holder.**

14 “[3] (4) A financial institution is not responsible or liable for:

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

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

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

21 “[4] (5) Upon being furnished proof of the death of the account holder
22 and such other information required by the contract governing the first-time
23 home buyer savings account, a financial institution shall distribute the
24 principal and accumulated interest or other income in the first-time home
25 buyer savings account in accordance with the terms of the contract govern-
26 ing the account.

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

