

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**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.**

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*] **an individual** who  
12 establishes a 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 the  
30 account holder designates for the purpose of paying or reimbursing eligible

1 costs for the purchase of a single family residence in this state by the ac-  
2 count 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 to be withdrawn from a first-time home buyer savings account  
6 and used for purposes consistent with ORS 316.796 to 316.803.

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

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

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

18 “[10] (11) ‘Taxable income’ has the meaning given that term in ORS  
19 316.022.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 “(a) Track the use of moneys withdrawn from a first-time home buyer

1 savings account; *[or]*

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

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

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

15 **“[(3)] (4) A financial institution is not responsible or liable for:**

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

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

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

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

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

1 **January 1, 2024.**

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

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