

HB 4131 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/7, 2/14

WHAT THE MEASURE DOES:

The measure appropriates \$10 million General Fund to the Housing and Community Services Department for the current biennium to make matching deposits into individual development accounts. The measure declares an emergency and is effective on passage.

REVENUE: No revenue impact

FISCAL: Fiscal impact issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Individual development accounts (IDAs) are personal depository accounts, hosted by a financial institution and funded by Oregon Housing and Community Services through participating organizations, created to allow a person from a low-income background to build wealth and save money to achieve financial independence. Account holders must be Oregon residents who are at least 12 years old, meet specified income limits, commit to regularly set aside money for at least 3 months, and be willing to work with a provider organization. Funds that a person deposits are matched at a five-to-one ratio by the financial institution, enabling the account holder to build resources to help with home purchases or repairs, fulfilling an educational goal, developing and launching a small business, or investments including assistive technology to increase independence, vehicle, rental, debt repayment, and emergency savings.

The IDA program has existed in 1999 and has traditionally been funded through a tax credit mechanism, although recent years have seen additional General Fund appropriations. The [final report of the Joint Task Force on Addressing Racial Disparities in Homeownership](#) from 2022 recommended that the legislature increase its support for the IDA program in order to increase homeownership access to underrepresented populations.

House Bill 4131 appropriates \$10 million General Fund to Oregon Housing and Community Services to make matching deposits into individual development accounts.