

HB 4131 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date: 02/14/24

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 9-0-1-0

Yeas: 9 - Andersen, Elmer, Hartman, Hieb, Nelson, Neron, Nguyen H, Reynolds, Scharf

Exc: 1 - Cramer

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/7, 2/14

WHAT THE MEASURE DOES:

The measure appropriates \$10 million from the 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.

ISSUES DISCUSSED:

- Provisions of the measure
- Benefits to program participants
- Relationship to housing affordability crisis

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. These accounts are 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, fulfill an educational goal, develop and launch a small business, invest in assistive technology to increase independence, or help cover expenses related to vehicle ownership, rent, 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.