

## HB 2735 STAFF MEASURE SUMMARY

### House Committee On Housing and Homelessness

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/12

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#### WHAT THE MEASURE DOES:

The measure eliminates the \$6,000 cap in matching funds from state-directed moneys within a 12-month period for individual development accounts. It sets the maximum total amount of state-directed moneys that may be deposited as matching funds into an individual development account to \$20,000. The measure also directs the Housing and Community Services Department to annually adjust the maximum total amount to account for effects of inflation in rule.

*Fiscal impact: May have fiscal impact, but no statement yet issued*

*Revenue impact: May have revenue impact, but no statement yet issued*

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Individual Development Accounts (IDAs) are special savings accounts designed to help low-income individuals and families save money for specific financial goals. These accounts are typically supported by matching funds from government programs, nonprofits, or other organizations to encourage savings and asset-building. Every dollar deposited by the account holder is matched (often at a ratio of 1:1 to 5:1) by a sponsoring organization. Savings in an IDA can only be used for approved purposes, such as: buying a first home, paying for higher education or job training, starting, or expanding a small business, or making home repairs or improvements. Participants often must complete financial literacy training to qualify for withdrawals. IDAs are typically available to low-income individuals who meet income and asset limits, as set by the program managing the accounts.