SB 465 A STAFF MEASURE SUMMARY **Carrier:** Rep. Ruiz

House Committee On Early Childhood and Human Services

Action Date:	04/24/25
Action:	Do Pass the A-Eng bill.
Vote:	7-0-2-0
Yeas:	7 - Elmer, Hartman, Javadi, McIntire, Nosse, Scharf, Walters
Exc:	2 - Nguyen H, Ruiz
Fiscal:	No fiscal impact
Revenue:	No revenue impact
Prepared By:	Taylor Bickel, LPRO Analyst
Meeting Dates:	4/15, 4/24

WHAT THE MEASURE DOES:

The measure removes the annual limit on matching funds that may accrue in an individual development account (IDA) and replaces it with a maximum limit of $20,000 in matching funds that may accrue in an IDA.

Detailed Summary:

- Removes the annual limit of $6,000 of state-directed matching funds that may accrue in an IDA.
- Removes the requirement that the Housing and Community Services Department adopt rules governing limits on state-directed matching funds that are deposited into IDAs.
- Establishes a maximum total amount of $20,000 of state-directed matching funds that may accrue in an IDA.

ISSUES DISCUSSED:

- Ability of individuals to participate in individual development account (IDA) programs
- Fiduciary organizations' discretion in allocating matching funds
- Minimum saving periods and financial literacy requirements to participate in an IDA program
- Number of individuals who apply for an IDA
- Current funding mechanisms for IDAs
- Household limits for IDA program participation

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Individual development accounts (IDAs) are personal depository accounts, hosted by a financial institution and funded by the Housing and Community Services Department via tax credits, established under ORS 315.271, for participating fiduciary organizations. These accounts are created to allow a person from a low-income background to build wealth and save money to achieve financial goals. IDA funds can used for financial goals such as home purchases or repairs, education, developing a small business, investing in adaptive technology, or expenses related to vehicle ownership, rent, debt repayment, and emergency savings. 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 deposited by an account holder are matched by the financial institution, often at a ratio of five-to-one. Currently, participants can receive up to $6,000 in matching funds per year in an IDA. OAR 813-300-0080 sets a limit of $20,000 of matching funds that may accrue in an IDA.