



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

March 26, 2025

**To: Chair Rep. Marsh, Vice-chairs Rep. Andersen and Breese-Iverson,
and members of the House Committee on Housing and Homelessness**

Re: HB 2735-2 – Individual Development Accounts Funding – **SUPPORT**

The League of Women Voters of the United States believes that the federal government shares with other levels of government the responsibility to provide equality of opportunity for education, employment, and housing for all persons regardless of their race, color, gender, religion, national origin, age, sexual orientation, or disability.

The Legislature created the Individual Development Accounts (IDAs) program in 1999. The state matches participants' savings up to 5-to-1. Money can be used to invest in the individual financial goals most important to each person's own circumstances. Over 19,000 Oregonians have participated in the program over the past 25 years.

Unfortunately, the state tax credit that funds IDAs has not kept up with inflation. The credit has been capped at \$7.5 million per year since 2009, but the costs of housing, education, small business start-ups, vehicle purchases and other eligible investments have increased substantially. HB 2735-2 would raise the cap on the tax credit from \$7.5 million/year to \$16.5 million/year. The total tax credit allowed to a taxpayer in a year may not exceed \$500,000. If the Legislature does not act this session to "fix the funding" for IDAs, the program will shrink to serve 50% fewer Oregonians each year.

Every IDA, regardless of the savings goal, is a tool for housing stability:

- Obtaining a home repair can improve habitability and reduce utility costs.
- Growing a small business can raise a family's income.
- Saving for college can set a student on the path to graduate without debt, making homeownership a real possibility.
- Purchasing a vehicle can enable an IDA saver to access a higher paying job.
- Saving for emergencies can prevent traumatic setbacks such as evictions.

By passing HB 2735-2 the Legislature can ensure this successful program continues to assist Oregonians striving to make a better life for themselves and their families.

Thank you for the opportunity to comment on this legislation. We urge your support for HB 2735-2.

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