



General Assembly

February Session, 2000

Raised Bill No. 5018

LCO No. 829

Referred to Committee on Banks

Introduced by:

(BA)

An Act Concerning An Individual Development Account Program For Economic Growth.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 (NEW) (a) For purposes of this section, "individual development
2 account" means an interest-bearing savings account for eligible low-
3 income individuals that includes deposits from such individuals and
4 matching contributions used for eligible purposes including, but not
5 limited to, the purchase of a primary residence, the payment of tuition
6 costs of higher education or vocational training, the payment of
7 retirement costs, or participation in or the development of a new or
8 existing entrepreneurial activity.

9 (b) An individual development account program is established
10 within the state agency having cognizance over matters concerning
11 savings and investment programs for low-income individuals. The
12 commissioner of such agency shall adopt regulations, in accordance
13 with the provisions of chapter 54 of the general statutes, to implement
14 the individual development account program. Such regulations shall
15 include, but not be limited to (1) the qualifications for eligibility as a
16 holder of an individual development account, (2) the maximum

17 deposit amount eligible for matching, (3) the dollar ratio at which
18 deposited funds shall be matched by contributions, (4) the content and
19 structure of financial and consumer education courses instructing
20 account holders on money management, and (5) criteria for the
21 selection and role of community-based organizations involved in the
22 development and administration of the individual development
23 account program at the local level.

24 (c) Contributions to individual development accounts may be
25 deducted from Connecticut adjusted gross income for purposes of
26 personal income tax, provided under chapter 229 of the general
27 statutes, and from Connecticut gross income for purposes of
28 corporation business tax, provided under chapter 208 of the general
29 statutes. Payments made from individual development accounts may
30 be deducted from Connecticut adjusted gross income for purposes of
31 personal income tax, provided under chapter 229 of the general
32 statutes.

Statement of Purpose:

To establish a matched savings plan for low-income individuals allowing for withdrawals only for specified purposes, and to create financial and consumer educational opportunities for plan participants.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]