



SENATE MAJORITY OFFICE

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Senate votes to expand opportunity for low-income, rural Oregonians
*HB 2258 changes formula for individual development accounts
to allow more Oregonians to qualify*

SALEM – More low-income Oregonians will be able to take advantage of a program that encourages saving under changes approved today by the Senate. Individual Savings Accounts (IDAs) are matched savings accounts for low income families that provide incentives to save for college, starting a small business, or buying a home.

Previously, the single qualification for an IDA was that a household make up to 80 percent of the median income level in an area. HB 2258 adds eligibility for families who make up to 200 percent of the federal poverty line.

“This legislation corrects an inequity for rural families,” said Senate Majority Leader Richard Devlin (D-Tualatin). “Because the median area income differs widely from urban areas to rural, using a single threshold for eligibility prevented access for many low-income families. By adding in the adjustment to the federal poverty line we can make sure that all low-income Oregonians have access to this program, regardless of what their neighbors make.”

The state markets and sells IDA tax credits to individuals and businesses that have an Oregon tax liability. Proceeds from the sale of these tax credits provide resources for an innovative strategy to aid low-income participants in building financial assets -- matched savings accounts for qualified expenditures on education, small business startup, and down payment assistance for homeownership.

“These tough times have proven how important it is to encourage savings,” said Deputy Majority Leader Laurie Monnes Anderson (D-Gresham), who carried the bill on the floor. “Expanding eligibility will give low-income Oregon families the opportunity to pull ahead, be it though savings for college, starting their own business, or owning a home.”

The bill will now go the Governor for his signature.

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