

By: Guillen

H.B. No. 2737

A BILL TO BE ENTITLED

AN ACT

relating to creation of a pilot program to establish individual development accounts for certain TANF recipients.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 301, Labor Code, is amended by adding Section 301.0683 to read as follows:

Sec. 301.0683. PILOT PROGRAM: INDIVIDUAL DEVELOPMENT ACCOUNTS FOR CERTAIN EMPLOYEES. (a) The commission by rule shall establish and implement a pilot program under which an individual development account is established for a recipient of financial assistance under Chapter 31, Human Resources Code, who is employed by the public or private sector.

(b) The commission may establish and administer an account for a recipient under this section or may contract with a nonprofit organization or financial institution to establish and administer the account in accordance with commission rules.

(c) The commission shall encourage the following to match deposits made by a recipient of financial assistance to an account established under this section:

(1) private employers, including persons in the private sector who employ one or more recipients through a subsidized employment program established under Section 31.0126(a)(5), Human Resources Code;

(2) community groups; and

1 (3) financial institutions.

2 (d) Expenditures from a recipient's individual development
3 account established under this section while the recipient is
4 receiving financial assistance are limited to educational and
5 medical expenses, work-related expenses, including expenses of a
6 self-employment enterprise, and housing or moving expenses for the
7 recipient and a person who is a member of the TANF-certified group.

8 (e) The commission shall implement the program in four
9 counties, two of which must be primarily rural areas that have
10 poverty rates per capita exceeding 1-1/2 times the statewide
11 poverty rate per capita.

12 (f) Not later than December 1 of 2006 and 2008, the
13 commission shall submit a report to the governor and the members of
14 the legislature regarding the status of the pilot program in each
15 selected county. The second report due under this subsection must
16 include recommendations on whether to implement the program
17 statewide.

18 (g) This section expires September 1, 2009.

19 SECTION 2. Subchapter B, Chapter 31, Human Resources Code,
20 is amended by adding Section 31.0321 to read as follows:

21 Sec. 31.0321. EXCLUSION OF CERTAIN INCOME AND RESOURCES.

22 (a) Except as provided by Subsection (b), the department may not
23 consider money contributed to a recipient's individual development
24 account under a pilot program by an employer, community group, or
25 financial institution as income or the balance of the account as a
26 resource in determining whether the recipient meets household
27 income and resource requirements for eligibility for financial

1 assistance.

2 (b) After consulting with the Texas Workforce Commission,
3 the executive commissioner of the Health and Human Services
4 Commission may adopt rules under which the department may place
5 limits on the amount of money not considered as income or as a
6 resource under Subsection (a).

7 (c) This section expires September 1, 2009.

8 SECTION 3. If, before implementing any provision of this
9 Act, a state agency determines that a waiver or authorization from a
10 federal agency is necessary for implementation, the state agency
11 shall request the waiver or authorization and may delay
12 implementing that provision until the waiver or authorization is
13 granted.

14 SECTION 4. As soon as practicable after the effective date
15 of this Act, the Texas Workforce Commission shall develop and
16 implement the pilot program required by Section 301.0683, Labor
17 Code, as added by this Act.

18 SECTION 5. This Act takes effect September 1, 2005.