

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

May 16, 2007

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB62 by Zaffirini (Relating to the creation of the individual development account program to provide savings incentives and opportunities to eligible low-income individuals and households.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require the Comptroller to develop and implement an individual development account program and contract with sponsoring organizations to facilitate and administer individual development accounts to low-income persons for accumulating assets and facilitating savings.

As part of its administrative duties, the Comptroller would develop and implement rules on the selection criteria for sponsoring organizations, participant eligibility, the rate and limit of the use of matching funds, duties of sponsoring organizations, participant withdrawal requirements, and contract and participant monitoring for the program. Participants in the program would receive matching funds from the sponsoring organization when they made qualified expenditures from their account. Sponsoring organizations would be provided grant funds for use in administering the program and matching qualified expenditures. Eligible expenditures would include post-secondary and training expenses, first-time home purchases, self-employment enterprises, and start-up business expenses.

The bill would further require the Comptroller to act as a clearinghouse for information on programs that facilitate low-income family asset development and post this information on the Comptroller's Internet website. To the extent allowed by law, the Health and Human Services Commission would provide information to the Comptroller, as necessary, to implement this program.

It is assumed that any additional costs associated with implementing the provisions of the bill could be absorbed within existing state resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, MS, JM