

5361

Sponsor(s): Senators Reardon, Doumit and Schmidt

Brief Description: Creating family development accounts for low-income wage earners.

SB 5361 - DIGEST

Provides that a family development account may be established by or on behalf of an eligible low-income wage earner for the purpose of enabling the recipient to accumulate funds for a qualified purpose described in this act.

Declares that a qualified purpose is one or more of the following, as provided by the qualified entity providing assistance to the low-income wage earner: (1) Postsecondary expenses paid from a family development account directly to an eligible educational institution;

(2) Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time home buyer, if paid from a family development account directly to the persons to whom the amounts are due;

(3) Amounts paid from a family development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

Appropriates the sum of five hundred thousand dollars, or as much thereof as may be necessary, for the fiscal biennium ending June 30, 2005, from the general fund to the department of community, trade, and economic development for the purposes of this act.