

STAND. COM. REP. NO.

2367

Honolulu, Hawaii

FEB 06 2020

RE: S.B. No. 2222

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 2222 entitled:

"A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reactivate the individual development account contribution income tax credit for the five-year period from 2021 through 2025;
- (2) Amend provisions regarding state-funded individual development accounts; and
- (3) Appropriate funds to the Department of Human Services.

Your Committee received testimony in support of this measure from the Hawaii Credit Union League and two individuals. Your Committee received comments on this measure from the Department of Taxation, Office of the Auditor, Department of Human Services, and Tax Foundation of Hawaii.

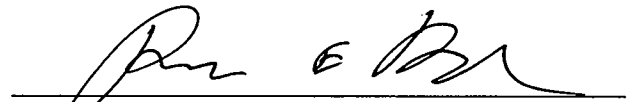
Your Committee finds that individual development accounts are special savings accounts that match the deposits of low- and moderate-income savers; provided that they participate in financial education and use the savings for targeted purposes such



as housing, post-secondary education, small business development, and transportation for work and school. Your Committee notes that research demonstrates that these accounts make families more financially secure and communities and local economies more stable by assisting them with obtaining permanent housing, attending post-secondary education, starting a business, or accessing transportation necessary to earn a living or increase their wages.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2222 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,



RUSSELL E. RUDERMAN, Chair



