

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 236**

Introduced by Howard, 9; Nordquist, 7.

Read first time January 15, 2013

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to individual development accounts; to

2 appropriate funds for a pilot project.

3 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) The Legislature shall appropriate three  
2 hundred thousand dollars for each of fiscal years 2013-14 and 2014-15  
3 from funds available under the federal Temporary Assistance to Needy  
4 Families program established in 42 U.S.C. 601 et seq., as such  
5 sections existed on January 1, 2013, to the Department of Labor to  
6 establish a pilot project creating individual development accounts.  
7 The individual development account pilot project shall:

8                   (a) Provide individuals and families, especially the  
9 underemployed, an opportunity and an incentive to accumulate assets;

10                   (b) Promote investments in education, home ownership, and  
11 microenterprise development;

12                   (c) Demonstrate that household savings strategies, such  
13 as the development of individual development accounts, can be a  
14 powerful strategy for assisting working persons and families to  
15 achieve long-term self-sufficiency; and

16                   (d) Utilize and build comprehensive community  
17 partnerships that support asset building in low-wealth communities.

18           (2) The Department of Labor, in conjunction with the  
19 Department of Health and Human Services, shall establish a pilot  
20 project creating individual development accounts to assist working  
21 families. Funds provided pursuant to this section shall serve as  
22 matching funds for personal savings of qualified participants  
23 selected to participate in a multiyear pilot project, which project  
24 shall last not more than five years. Two dollars of matching funds  
25 shall be provided for each dollar of participant funds, up to seven

1 hundred twenty dollars annually and three thousand dollars total.  
2 Other expenses of the pilot project, including training, technical  
3 assistance, evaluation, and other program and administrative  
4 expenses, shall be derived from other public and private sources.  
5 Matching funds provided to participants may be used for first-time  
6 home purchase, investment in a business or self-employment venture  
7 owned by the participant, or costs of postsecondary education or  
8 training for the participant. Participants shall not be restricted as  
9 to the amounts or sources of funds deposited in an individual  
10 development account, but only savings from earned income qualify for  
11 state matching funds. The pilot project shall include income and  
12 asset qualifications, including, but not limited to, eligibility for  
13 household incomes at or below two hundred percent of the federal  
14 poverty level and assets of twenty-five thousand dollars or less. The  
15 pilot project shall be geographically balanced, including both rural  
16 and urban participants. Tax return reports of earned income shall be  
17 used to verify compliance, and participants shall grant access to  
18 their tax returns for such purpose. Funds contained in the individual  
19 development accounts shall not be counted as assets for purposes of  
20 other state assistance programs. The Department of Labor may enter  
21 into contracts to carry out its duties under this section.