

1                                   **INDIVIDUAL DEVELOPMENT ACCOUNT**

2   **AMENDMENTS**

3   2009 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: F. Jay Seegmiller**

6   Senate Sponsor: Karen W. Morgan

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8                   **LONG TITLE**

9                   **General Description:**

10                   This bill amends provisions of the Employment Support Act regarding individual  
11 development accounts in the Family Employment Program.

12                   **Highlighted Provisions:**

13                   This bill:

14                   ▶ provides that an individual development account may be established for the purpose  
15 of allowing a client with a disability to accumulate funds for the purchase of  
16 assistive technologies, vehicle modifications, or home improvements that will allow  
17 the client to participate in work-related activities; and

18                   ▶ provides that funds held in an individual development account may not be used in  
19 determining eligibility for assistance, or the amount of assistance to be received, in  
20 a state or federal means-tested program.

21                   **Monies Appropriated in this Bill:**

22                   None

23                   **Other Special Clauses:**

24                   None

25                   **Utah Code Sections Affected:**

26                   AMENDS:

27                   **35A-3-312**, as enacted by Laws of Utah 1997, Chapter 174



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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **35A-3-312** is amended to read:

**35A-3-312. Individual development accounts.**

(1) As used in this section:

(a) "Individual development account" means a trust account funded through periodic contributions by a client and matched by or through a not-for-profit organization organized under Section 501(c)(3), Internal Revenue Code.

(b) "Qualified acquisition costs" means the costs of acquiring, constructing, or reconstructing a residence, including settlement and closing costs.

(c) "Qualified businesses capitalization expenses" means expenditures for capital, plant, equipment, working capital, and inventory.

(2) An individual development account may be established by or on behalf of a client to enable a client to accumulate funds for the following purposes:

(a) postsecondary educational expenses after leaving cash assistance, including tuition, fees, books, supplies, and transportation costs, if paid from the individual development account directly to an educational institution that the parent client is attending as part of an employment plan;

(b) qualified acquisition costs associated with a first-time home purchase if paid from the individual development account directly to a person to whom the amount is due; ~~or~~

(c) amounts paid from an individual development account directly to a business capitalization account that is established in a federally insured financial institution and used solely for qualified business capitalization expenses~~[-]; or~~

(d) the purchase of assistive technologies, vehicle modifications, or home improvements that will allow a client with a disability to participate in work-related activities.

(3) (a) A client may only deposit earned income and funds received from a not-for-profit organization into an individual development account.

(b) Funds held in an individual development account may not be used in determining eligibility for assistance, or the amount of assistance to be received, in a state or federal means-tested program.

**Legislative Review Note**  
as of 1-6-09 11:08 AM

**Office of Legislative Research and General Counsel**

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**H.B. 91 - Individual Development Account Amendments**

**Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses and local governments. Individuals may benefit from the ability to receive additional services with the enactment of this bill.

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