

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  
15 purpose of allowing a client with a disability to accumulate funds for the purchase  
16 of assistive technologies, vehicle modifications, or home improvements that will  
17 allow the client to participate in work-related activities.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **35A-3-312**, as enacted by Laws of Utah 1997, Chapter 174

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

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

28 **35A-3-312. Individual development accounts.**

29 (1) As used in this section:

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

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

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

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

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

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

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

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

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