

STAND. COM. REP. NO. 113

Honolulu, Hawaii  
Feb 7, 2007

RE: H.B. No. 472  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 472 entitled:

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

begs leave to report as follows:

The purpose of this bill is to promote asset-building by improving provisions relating to individual development accounts (IDAs), including:

- (1) Specifically allowing IDA funds to be used for the purchase of a motor vehicle for transportation to school or work;
- (2) Requiring the State to provide technical and administrative assistance to fiduciary organizations in administering IDAs;
- (3) Allowing the State to use federal funds, including Temporary Assistance for Needy Families (TANF) funds, for IDAs;
- (4) Removing the five-year limitation on State grants for IDAs;



- (5) Increasing from ten to 25 percent, the amount of State funds that fiduciary organizations may use to cover administrative costs for administering IDAs; and
- (6) Appropriating \$2,000,000 in general funds to administer IDAs.

3Point, the Hawaii Alliance for Community-Based Economic Development, Aloha United Way, Hawaii Centers for Independent Living, and a concerned individual testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee recognizes the need for asset-building and self-sufficiency, and respectfully requests DHS to provide information on other states' experiences with IDAs. Additionally, a concern was raised that allowing a motor vehicle as a "qualified expense" may open the State to liability, and your Committee respectfully requests a formal opinion by the Attorney General on this matter.

Your Committee has amended this bill by:

- (1) Adding associated motor vehicle fuel and insurance costs as qualified expenditures;
- (2) Specifying the Department of Business, Economic Development, and Tourism as the agency to provide technical and administrative assistance to fiduciary organizations;
- (3) Removing the \$100,000 annual cap on IDA grants to qualified entities;
- (4) Changing the appropriation from general revenues to TANF funds; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 472, H.D. 1, and be referred to the Committee on Finance.

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



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MAILE SHIMABUKURO, Chair



