



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 17, 2009

The Honorable Michael Mauro
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit:

House File 672, an Act relating to individual development accounts available to certain persons with low income and providing effective and applicability date provisions.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Chester J. Culver".

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 672

AN ACT

RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNTS AVAILABLE TO CERTAIN PERSONS WITH LOW INCOME AND PROVIDING EFFECTIVE AND APPLICABILITY DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 541A.2, subsection 1, Code 2009, is amended to read as follows:

1. a. To be eligible to open an account, a prospective account holder must have a household income that is equal to or less than two hundred percent of the federal poverty level.

b. The account ~~is~~ shall be kept in the name of an individual account holder.

Sec. 2. Section 541A.2, subsections 4 and 5, Code 2009, are amended to read as follows:

4. During a calendar year, with the approval of the operating organization, an account holder may ~~withdraw~~ make withdrawals from the account holder's account ~~the sum of the~~ for any of the following authorized purposes:

~~a. With the approval of the operating organization, amounts withdrawn for any of the following approved purposes:~~

~~(1)~~ Educational costs at an accredited institution of higher education.

~~(2)~~ b. Training costs for an accredited or licensed training program.

~~(3)~~ c. Purchase of a primary residence.

{4} d. Capitalization of a small business start-up.

{5} e. An improvement to a primary residence which increases the tax basis of the property.

{6} f. Emergency medical costs for the account holder or for a member of the account holder's family. However, a withdrawal for this purpose is limited to once during the life of the account and the amount of the withdrawal shall not exceed ten percent of the account balance at the time of the withdrawal.

{7} g. A purpose ~~approved~~ authorized in accordance with rule for a refugee individual development account.

{8} h. Purchase of an automobile.

{9} i. Purchase of assistive technology, home or vehicle modification, or other device or physical improvement to assist an account holder or family member with a disability.

{10} j. Other purpose ~~approved~~ authorized in accordance with rule that is intended to move the account holder or a family member toward a higher degree of self-sufficiency.

~~b.---At-the-account-holder's-discretion, if the account holder is at least fifty-nine and one-half years of age, any amount.~~

~~5.---An account holder shall not withdraw moneys from the holder's account unless the withdrawal is authorized under subsection 4.~~

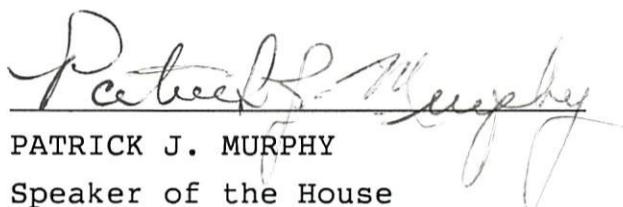
Sec. 3. Section 541A.3, subsection 1, paragraph a, Code 2009, is amended to read as follows:

a. Payment by the state of a state savings match on amounts of up to two thousand dollars that an account holder deposits in the account holder's account. ~~To be eligible to receive a state match an account holder must have a household income that is equal to or less than two hundred percent of the federal poverty level.~~

Sec. 4. Section 541A.5, subsection 2, paragraph c, Code 2009, is amended to read as follows:

c. Subject to the availability of funding, the commission may adopt rules implementing an individual development account program for refugees. Rules shall identify purposes approved authorized for withdrawals to meet the special needs of refugee families.

Sec. 5. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY.
This Act, being deemed of immediate importance, takes effect upon enactment, is retroactively applicable to July 1, 2008.


PATRICK J. MURPHY
Speaker of the House


JOHN P. KIBBIE
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 672, Eighty-third General Assembly.


MARK BRANDSGARD
Chief Clerk of the House

Approved April 17th, 2009


CHESTER J. CULVER
Governor