

SENATE BILL NO. 306—SENATOR SPEARMAN

MARCH 16, 2023

Referred to Committee on Finance

SUMMARY—Revises provisions regarding the Individual Development Account Program. (BDR 38-880)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public welfare; increasing the maximum amount of matching funds the holder of an individual development account may accrue; removing the authority of a fiduciary organization to designate a lesser maximum amount for such matching funds; making appropriations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the Office of the State Treasurer to establish the
2 Individual Development Account Program, the goal of which is to enable certain
3 residents of this State who receive public assistance or social services to
4 accumulate assets for use toward achieving a specific purpose relating to self-
5 sufficiency. (NRS 422A.487-422A.497) Existing law: (1) requires that an
6 individual development account be administered by certain nonprofit fiduciary
7 organizations; (2) requires a fiduciary organization that participates in the Program
8 to match deposits made by the holder of an individual development account into his
9 or her account in an amount of not more than \$5 for each \$1 deposited; (3)
10 prohibits an account holder from accruing more than \$3,000 of matching funds in
11 any 12-month period; and (4) authorizes a fiduciary organization to designate an
12 amount less than \$3,000 as a limit on matching funds in any 12-month period.
13 (NRS 422A.495) **Section 1** of this bill: (1) increases the maximum amount of
14 matching funds that may be accrued by an account holder in any 12-month period
15 from \$3,000 to \$10,000; and (2) removes the authority of a fiduciary organization
16 to designate any lesser amount as a limit on matching funds, thus requiring a
17 fiduciary organization to continue matching funds in any 12-month period until
18 \$10,000 is reached.

19 Existing law requires the Nevada Statewide Council on Financial Independence
20 to: (1) develop statewide priorities and strategies for helping persons who receive
21 public assistance or social services to increase the financial independence of such
22 persons; (2) coordinate with certain state agencies; and (3) oversee the Program.



23 (NRS 422A.478-422A.486) Existing law authorizes, to the extent that money is
24 available, certain compensation, per diem allowances and travel expenses of the
25 members of the Council. (NRS 422A.481) **Section 2** of this bill makes an
26 appropriation to the Office of the State Treasurer for the payment of such
27 compensation, per diem allowances and travel expenses of the members of the
28 Council during the 2023-2025 biennium.

29 Existing law authorizes a provider of foster care to establish an individual
30 development account for a child placed in the care of the provider of foster care.
31 (NRS 422A.493) **Section 3** of this bill makes an appropriation to the Office of the
32 State Treasurer in each fiscal year of the 2023-2025 biennium for the purpose of
33 making a deposit of \$15,000 into each such individual development account
34 established by a provider of foster care for a child placed in the care of the provider
35 and who will reach 18 years of age during the 2023-2025 biennium.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 422A.495 is hereby amended to read as
2 follows:

3 422A.495 1. If the Individual Development Account Program
4 is established, the State Treasurer must provide money obtained
5 pursuant to NRS 422A.492 to fiduciary organizations for the
6 purpose of funding matching payments by fiduciary organizations
7 pursuant to subsection 2. A fiduciary organization may accept and
8 solicit additional gifts, grants and donations for the Program. A
9 fiduciary organization shall notify the State Treasurer of any such
10 gifts, grants or donations received.

11 2. A fiduciary organization shall match amounts deposited by
12 the account holder according to a formula established by the
13 fiduciary organization and approved by the State Treasurer. The
14 fiduciary organization shall match and maintain on deposit in the
15 individual development account not more than \$5 for each \$1
16 deposited by the account holder in his or her individual development
17 account.

18 3. The fiduciary organization shall deposit the matching
19 deposits made by the fiduciary organization pursuant to subsection 2
20 in a savings account that is:

21 (a) Jointly held by the account holder and the fiduciary
22 organization that requires the signatures of both for withdrawals; or

23 (b) Controlled by the fiduciary organization and is separate from
24 the savings account of the account holder.

25 4. Account holders shall not accrue more than ~~[\$3,000]~~
26 **\$10,000** of matching funds under subsection 2 in any 12-month
27 period. ~~[A fiduciary organization may designate a lesser amount as a~~
28 ~~limit on matching funds made in any 12-month period.]~~

29 5. A fiduciary organization shall maintain on deposit sufficient
30 funds to cover the agreements to match the amounts deposited by



1 the account holder for all individual development accounts
2 administered by the fiduciary organization.

3 6. A fiduciary organization shall not expend more than 5
4 percent of the total amount of money accepted from the State
5 Treasurer pursuant to subsection 1 to pay for its administrative
6 expenses.

7 7. The State Treasurer may adopt regulations to establish a
8 maximum total amount of money that may be deposited as matching
9 funds into an individual development account.

10 **Sec. 2.** 1. There is hereby appropriated from the State
11 General Fund to the Office of the State Treasurer the sum of \$3,840
12 for the payment of compensation, per diem allowances and travel
13 expenses of the members of the Nevada Statewide Council on
14 Financial Independence pursuant to NRS 422A.481.

15 2. Any remaining balance of the appropriation made by
16 subsection 1 must not be committed for expenditure after June 30,
17 2025, by the entity to which the appropriation is made or any entity
18 to which money from the appropriation is granted or otherwise
19 transferred in any manner, and any portion of the appropriated
20 money remaining must not be spent for any purpose after
21 September 19, 2025, by either the entity to which the money was
22 appropriated or the entity to which the money was subsequently
23 granted or transferred, and must be reverted to the State General
24 Fund on or before September 19, 2025.

25 **Sec. 3.** 1. There is hereby appropriated from the State
26 General Fund to the Office of the State Treasurer for the purpose of
27 making a deposit of \$15,000 into each individual development
28 account which has been established or is newly established pursuant
29 to subparagraph (3) of paragraph (c) of subsection 2 of NRS
30 422A.493 by a provider of foster care for a child placed in the care
31 of the provider of foster care and who will reach 18 years of age
32 during Fiscal Year 2023-2024 or Fiscal Year 2024-2025 the
33 following sums:

34 For the Fiscal Year 2023-2024..... \$1,920,000
35 For the Fiscal Year 2024-2025..... \$2,310,000

36 2. Any balance of the sums appropriated by subsection 1
37 remaining at the end of the respective fiscal years must not be
38 committed for expenditure after June 30 of the respective fiscal
39 years by the entity to which the appropriation is made or any entity
40 to which money from the appropriation is granted or otherwise
41 transferred in any manner, and any portion of the appropriated
42 money remaining must not be spent for any purpose after
43 September 20, 2024, and September 19, 2025, respectively, by
44 either the entity to which the money was appropriated or the entity
45 to which the money was subsequently granted or transferred, and



1 must be reverted to the State General Fund on or before
2 September 20, 2024, and September 19, 2025, respectively.

3 **Sec. 4.** 1. This section and sections 2 and 3 of this act
4 become effective upon passage and approval.

5 2. Section 1 of this act becomes effective on July 1, 2023.

