

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1021

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S.P. 312

In Senate, February 13, 1997

**An Act to Promote the Establishment of Individual Development  
Accounts by Low-income Families.**

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Reference to the Committee on Health and Human Services suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator TREAT of Kennebec.  
Cosponsored by Representative KONTOS of Windham and  
Senators: CATHCART of Penobscot, MILLS of Somerset, PINGREE of Knox,  
Representatives: BULL of Freeport, GREEN of Monmouth, HATCH of Skowhegan, O'NEAL  
of Limestone, RINES of Wiscasset.

2 Be it enacted by the People of the State of Maine as follows:

4 Sec. 1. 22 MRSA §§3741-M to 3741-O are enacted to read:

6 §3741-M. Individual development accounts

8 1. Establishment. A family receiving benefits under the  
10 aid to families with dependent children program may establish an  
12 individual development account for the purpose of enabling the  
14 family to accumulate funds for a qualified purpose described in  
16 this section.

18 2. Qualified purposes. Money may be deposited into a  
20 family's individual development account for one or more of the  
22 following purposes:

24 A. Educational expenses;

26 B. The purchase or repair of a home that is the family's  
28 principal residence;

30 C. The purchase or repair of a vehicle used for  
32 transportation to work or to attend an education or training  
34 program;

36 D. To address an emergency that may cause the loss of  
38 shelter, employment or other basic necessities; or

40 E. The capitalization of a business.

42 3. Contribution of funds. A family may contribute funds  
44 from any source to an individual development fund.

46 4. Withdrawal of funds. The department shall adopt rules  
48 to ensure that funds held in an individual development account  
are withdrawn only for the qualified purposes described in  
subsection 2. The rules adopted pursuant to this subsection are  
routine technical rules as defined in the Maine Administrative  
Procedure Act, Title 5, chapter 375, subchapter II-A.

5. No reduction in benefits. Notwithstanding any other  
provision of law or rule that requires consideration of assets  
for the purposes of determining eligibility for or the amount of  
any assistance or benefit authorized by the law, funds, including  
any accrued interest, in an individual development account under  
this section are disregarded during any period in which an  
individual or family maintains or makes contributions to an  
individual development account.

2 **§3741-N. Lump sum income**

4 For the purpose of determining eligibility for the aid to  
6 families with dependent children program, the department shall  
8 treat any nonrecurring lump sum income received by a family  
10 receiving assistance as an asset and not as income.

12 Nonrecurring lump sum income may be deposited in an  
14 individual development account established pursuant to section  
16 3741-M.

18 **§3741-O. Child support arrears**

20 Persons receiving assistance under this chapter who have  
22 assigned their right to support to the department and who have  
24 established an individual development account pursuant to section  
26 3741-M are entitled to place into that account the first \$2,000  
28 of child support arrears collected by the department that would  
30 otherwise be retained by the department pursuant to Title 19,  
section 495.

**SUMMARY**

26 This bill authorizes families receiving assistance from the  
28 aid to families with dependent children program to establish  
30 individual development accounts that would be used to help the  
family become self-sufficient.