

~~which can improve economic stability, connect people with a viable and hopeful future, stimulate development of human and other capital, enable people to focus and specialize, yield personal and social dividends, and enhance the welfare of offspring; and~~

~~WHEREAS, The State of Maryland should invest existing resources in high yielding initiatives where there is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance of individual development account holders will far exceed the cost of investment; and~~

~~WHEREAS, The poverty of tens of thousands of Maryland residents represents a loss of human resources, an assault on human dignity, and a drain on social and fiscal resources of the State, and those who receive public assistance through programs, concentrating on income and consumption, have rarely been successful in promoting and supporting the transition to economic self sufficiency; and~~

~~WHEREAS, Income based welfare policy should be complemented with asset based welfare policy, because, while income based policies ensure that consumption needs (including food, child care, rent, clothing, and health care) are met, asset based policies provide the means to achieve economic self sufficiency and then leave public assistance; and~~

~~WHEREAS, It has been shown that matched savings plans can create a "habit of saving" that can help a family over the long run in asset building, and that a major barrier to home ownership is lack of financial knowledge and personal savings; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

### **Article 88A - Department of Human Resources**

#### MARYLAND INDIVIDUAL DEVELOPMENT ACCOUNTS

90.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "INDIVIDUAL DEVELOPMENT ACCOUNT" MEANS A SAVINGS ACCOUNT OPENED BY A PROGRAM PARTICIPANT AT A FEDERALLY INSURED INSTITUTION UNDER THE TERMS OF THE PROGRAM THAT WILL BE THE BASIS FOR DETERMINING THE AMOUNT OF MATCHING FUNDS PROVIDED TO THE PARTICIPANT UNDER THE PROGRAM.

(C) "PROGRAM" MEANS THE INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROGRAM DESCRIBED IN THIS SUBTITLE.

(D) "PROGRAM PARTICIPANT" MEANS AN INDIVIDUAL WHO HAS CONTRACTED WITH A SERVICE PROVIDER TO PARTICIPATE IN THE PROGRAM AND HAS OPENED AN INDIVIDUAL DEVELOPMENT ACCOUNT.