

HOUSE BILL No. 4342

February 28, 2013, Introduced by Reps. Ananich and Talabi and referred to the Committee on Tax Policy.

A bill to establish a saving Michigan matching grant program; to establish the \$ave Michigan grant fund; to authorize certain grants; to prescribe the powers and duties of certain state agencies and officials; and to provide for an appropriation.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "\$ave
2 Michigan matching grant act of 2013".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of treasury.

5 (b) "Financial institution" means a state or national bank, a
6 state or federally chartered savings and loan association, a state
7 or federally chartered savings bank, a state or federally chartered
8 credit union, or other regulated lending institution that maintains
9 a principal office or branch office in this state under the laws of
10 this state or the United States, including, but not limited to, an

1 entity of the federally chartered farm credit system.

2 (c) "Program" means the \$ave Michigan matching grant program
3 established in section 5.

4 (d) "Qualified financial institution" means a financial
5 institution that has a physical location in this state or whose
6 principal office is located in this state, or both.

7 (e) "Qualified savings account" means any type of savings
8 account offered by a qualified financial institution and considered
9 appropriate by the department for purposes of this program.

10 (f) "Qualified taxpayer" means a taxpayer without a qualifying
11 child whose total household resources are less than \$18,000.00, or
12 a taxpayer with at least 1 qualifying child whose total household
13 resources are less than \$50,000.00, and who opens a qualified
14 savings account with a qualified financial institution and has at
15 least \$200.00 of his or her federal income tax refund directly
16 deposited into that qualified savings account.

17 (g) "Qualifying child" means that term as defined in section
18 152 of the internal revenue code.

19 (h) "Taxpayer" means an individual who is 18 years of age or
20 older and files a federal or Michigan personal income tax return.

21 (i) "Total household resources" means that term as defined in
22 section 508 of the income tax act of 1967, 1967 PA 281, MCL
23 206.508.

24 Sec. 5. (1) The department shall establish and administer a
25 \$ave Michigan matching grant program as provided in this act to
26 provide individuals and families with incentives and an opportunity
27 to build savings and accrue assets. Subject to the limitations

1 provided under this act, the program shall provide a 50% match of
2 every dollar of a qualified taxpayer's federal income tax refund
3 that he or she has directly deposited into a qualified savings
4 account and maintained within that account for a minimum of 1 year,
5 not to exceed \$250.00.

6 (2) Matching grants under this act shall be made by electronic
7 funds transfer directly into the qualified taxpayer's qualified
8 savings account.

9 (3) The department may take any necessary action to ensure the
10 successful operation of the program, including, but not limited to,
11 entering into agreements with qualified financial institutions
12 related to the operation of the program and the establishment of
13 qualified savings accounts.

14 Sec. 7. (1) The \$ave Michigan grant fund is created within the
15 state treasury.

16 (2) The state treasurer may receive money or other assets from
17 any source for deposit into the fund. The state treasurer shall
18 direct the investment of the fund. The state treasurer shall credit
19 to the fund interest and earnings from fund investments.

20 (3) Money in the fund at the close of the fiscal year shall
21 remain in the fund and shall not lapse to the general fund.

22 (4) The department shall be the administrator of the fund for
23 auditing purposes.

24 (5) The department shall only expend money from the fund, upon
25 appropriation, to distribute matching grants to qualified taxpayers
26 as provided in this act.