

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5183

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
03/25/2024	12883	Introduction and first reading Referred to Health and Human Services

1.1

A bill for an act

1.2

relating to human services; modifying the family assets for independence program;

1.3

amending Minnesota Statutes 2022, section 256E.35, subdivision 5; Minnesota

1.4

Statutes 2023 Supplement, section 256E.35, subdivision 2.

1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6

Section 1. Minnesota Statutes 2023 Supplement, section 256E.35, subdivision 2, is amended

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to read:

1.8

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

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(b) "Eligible educational institution" means the following:

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(1) an institution of higher education described in section 101 or 102 of the Higher

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Education Act of 1965; or

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(2) an area vocational education school, as defined in subparagraph (C) or (D) of United

1.13

States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and

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Applied Technology Education Act), which is located within any state, as defined in United

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States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the

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extent section 2302 is in effect on August 1, 2008.

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(c) "Family asset account" means a savings account opened by a household participating

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in the Minnesota family assets for independence initiative.

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(d) "Fiduciary organization" means:

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(1) a community action agency that has obtained recognition under section 256E.31;

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(2) a federal community development credit union;

- 2.1 (3) a women-oriented economic development agency;
- 2.2 (4) a federally recognized Tribal Nation; or
- 2.3 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
- 2.4 Code.
- 2.5 (e) "Financial coach" means a person who:
- 2.6 (1) has completed an intensive financial literacy training workshop that includes
- 2.7 curriculum on budgeting to increase savings, debt reduction and asset building, building a
- 2.8 good credit rating, and consumer protection;
- 2.9 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
- 2.10 network training meetings under FAIM program supervision; and
- 2.11 (3) provides financial coaching to program participants under subdivision 4a.
- 2.12 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
- 2.13 or credit union, the deposits of which are insured by the Federal Deposit Insurance
- 2.14 Corporation or the National Credit Union Administration.
- 2.15 (g) "Household" means all individuals who share finances and use of a dwelling unit as
- 2.16 primary quarters for living and eating separate from other individuals. Sharing finances
- 2.17 does not include situations in which a person is living in the same dwelling unit as others
- 2.18 without sharing any other financial arrangements.
- 2.19 (h) "Permissible use" means:
- 2.20 (1) postsecondary educational expenses at an eligible educational institution as defined
- 2.21 in paragraph (b), including books, supplies, and equipment required for courses of instruction;
- 2.22 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
- 2.23 any usual or reasonable settlement, financing, or other closing costs;
- 2.24 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
- 2.25 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
- 2.26 by the fiduciary organization;
- 2.27 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
- 2.28 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
- 2.29 price applicable to the residence determined according to section 143(e)(2) and (3) of the
- 2.30 Internal Revenue Code of 1986;
- 2.31 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

3.1 (6) contributions to an emergency savings account; and

3.2 (7) contributions to a Minnesota 529 savings plan.

3.3 Sec. 2. Minnesota Statutes 2022, section 256E.35, subdivision 5, is amended to read:

3.4 Subd. 5. **Household eligibility; participation.** (a) To be eligible for state or TANF
3.5 matching funds in the family assets for independence initiative, a household must ~~meet the~~
3.6 ~~eligibility requirements of the federal Assets for Independence Act, Public Law 105-285,~~
3.7 ~~in Title IV, section 408 of that act~~ have maximum income that is equal to or less than the
3.8 greater of:

3.9 (1) 50 percent of the area median income as determined by the United States Department
3.10 of Housing and Urban Development; or

3.11 (2) 200 percent of the federal poverty guidelines.

3.12 (b) To be eligible for state matching funds under this section, a household must meet
3.13 the requirements of this section.

3.14 ~~(b)~~ (c) Each participating household must sign a family asset agreement that includes
3.15 the amount of scheduled deposits into its savings account, the proposed use, and the proposed
3.16 savings goal. A participating household must agree to complete an economic literacy training
3.17 program.

3.18 ~~(e)~~ (d) Participating households may only deposit money that is derived from household
3.19 earned income or from state and federal income tax credits.