

By Mrs. Holland of Longmeadow, petition of Iris K. Holland and other members of the House for legislation to establish a homeowners fund account under the income tax laws for the purpose of assisting certain persons in the purchasing of homes. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Four.

AN ACT ESTABLISHING A HOMEOWNER FUND ACCOUNTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 1 of Chapter 62 of the General Laws is
2 hereby amended by adding the following subsection: —

3 (m) "Homeowners Fund Account" — shall mean an account
4 created and organized in the Commonwealth for the exclusive
5 benefit of an individual, or in the case of a married individual, for
6 the exclusive benefit of the individual and his spouse jointly for the
7 purpose of purchasing a home.

1 SECTION 2. Section 2, part (a) (1), of Chapter 62 of the
2 General Laws is hereby amended by adding after paragraph (f) the
3 following new paragraph: —

4 (G) Payments of whatever kind made from a terminated
5 Homeowners Fund Account under Section 22E of Chapter 168 of
6 the General Laws.

1 SECTION 3. Section 2, part (a) (2), of the General Laws is
2 hereby amended by adding after paragraph (G) the following new
3 paragraph: —

4 (H) Up to \$5,000 by each single taxpayer or by married
5 taxpayers whether they file joint or separate returns, which is
6 deposited into Homeowners Fund Account pursuant to Section
7 22E of Chapter 168 of the General Laws.

1 SECTION 4. Chapter 168 of the General Laws is hereby
2 amended by inserting after section 22D the following new
3 section: —

4 *Section 22E.* All banks, as defined in Section 1 of Chapter 167
5 of the General Laws, may open and receive depositions for
6 Homeowners Fund Account. An Homeowners Fund Account
7 shall be established, managed, and terminated in accordance with
8 a written agreement signed by the contributor, regulations adopted
9 by the Commissioner and this section.

10 Regulations adopted by the Commissioner shall implement and
11 be consistent with the following: —

12 a.) An account shall be opened for the benefit of first time home
13 purchasers only.

14 b.) No funds shall be paid out of an account except upon the
15 notification by a bank or a lending institution that the contributor
16 is purchasing a first home.

17 c.) The Homeowners Fund Account shall be distributed to the
18 contributor no later than one hundred and twenty months after the
19 date on which the first contribution is made to the account.

20 d.) Said account must be created on or before December thirty
21 first, nineteen hundred and ninety.

22 e.) When an account is terminated, the remaining assets of the
23 account, including undistributed interest and other accruals, shall
24 be paid out to the contributor.

25 For the purpose of of this section the word "contributor" shall
26 mean, the individual or individuals who establish an account and
27 make contributions to it.