

**A-Engrossed**  
**House Bill 2741**

Ordered by the House June 8  
Including House Amendments dated June 8

Sponsored by Representatives J SMITH, SHIELDS; Representatives BUCKLEY, CANNON, CLEM, DEMBROW, GARRETT, GREENLICK, HARKER, KAHL, NOLAN, READ, STIEGLER, Senators BONAMICI, WALKER

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Provides for annual adjustment, based on U.S. City Average Consumer Price Index, of threshold for filing inheritance tax return.]* Establishes Next Generation Fund. Directs inheritance tax revenues to Next Generation Fund. Appropriates moneys to Oregon Student Assistance Commission to fund Oregon Opportunity Grant program and to Department of Education to fund *[Oregon prekindergarten program]* **early childhood education programs.**

Applies to *[estates of decedents dying on or after January 1, 2010, and to]* revenues received by Department of Revenue on or after January 1, *[2010]* **2011.**

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to inheritance tax; creating new provisions; amending ORS 118.510 and 118.535; appropri-  
3 ating money; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 118.510 is amended to read:

6 118.510. The net revenue from the taxes imposed by ORS 118.005 to 118.840 (including temporary  
7 payments under ORS 118.260 and fees, taxes, interest and penalties), after deduction of refunds, shall  
8 be *[credited to the General Fund to be available to meet any expense or obligation of this state lawfully*  
9 *incurred.]* **deposited in the Next Generation Fund established under section 3 of this 2009 Act.**

10 **SECTION 2.** ORS 118.535 is amended to read:

11 118.535. (1) If the Department of Revenue determines that the executor has not made an ap-  
12 praisal that is needed in order to comply with the provisions of ORS 118.005 to 118.840, the de-  
13 partment may cause an appraisal to be made by a fee appraiser to so ensure compliance.

14 (2) The cost of the appraisal including the appraiser's fee as a witness in the event of an appeal  
15 shall be paid out of the taxes collected under this chapter before the net revenue is *[credited to the*  
16 *General Fund]* **deposited in the Next Generation Fund** as provided in ORS 118.510.

17 **SECTION 3.** **The Next Generation Fund is established separate and distinct from the**  
18 **General Fund. Interest earned by the Next Generation Fund shall be credited to the Next**  
19 **Generation Fund. Moneys in the fund shall be distributed as follows:**

20 (1) **Fifty percent is continuously appropriated to the Oregon Student Assistance Com-**  
21 **mission for the purpose of funding grants through the Oregon Opportunity Grant program**  
22 **under ORS 348.260.**

23 (2) **Fifty percent is continuously appropriated to the Department of Education for the**  
24 **purpose of funding early childhood education programs.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1        **SECTION 4.** Section 3 of this 2009 Act and the amendments to ORS 118.510 and 118.535  
2 by sections 1 and 2 of this 2009 Act apply to revenues received by the Department of Revenue  
3 on or after January 1, 2011.

4        **SECTION 5.** This 2009 Act takes effect on the 91st day after the date on which the reg-  
5 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.  
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