

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 3 - 0
Yeas:	Doherty, Keny-Guyer, Lively, Richardson, Vega Pederson, Holvey
Nays:	Johnson, Smith, Thatcher
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	2/14, 4/2, 4/18

WHAT THE MEASURE DOES: Requires transferee to file petition with court for approval to transfer structured settlement rights and allows court to seal all or part of petition. Requires certain statement be provided to settlement payee from transferee at least 30 days before signing of transfer agreement. Extends period in which transfer agreement may be cancelled by payee. Requires court or administrative authority to make additional, specific findings before approving agreement for transfer of structured settlement rights. Specifies criteria for court to consider in determining whether to approve transfer agreement.

ISSUES DISCUSSED:

- Calculation of discount rate on structured settlement transfers and potential cap on discount rate
- Limited guidance in statute for judges to use in evaluating transfer agreements
- Timeline of transfer agreement process
- Concern about privacy of personal information required to be disclosed to court
- Judicial approval requirements including requirement that payee appear in person
- Range of ability of payees to evaluate significant financial decision like transferring settlement rights

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Structured settlements are agreements for periodic payment of damages stemming from a tort or workers' compensation claim. Existing Oregon law governing the transfer of structured settlement rights, enacted in 2005, requires a judge or responsible administrative authority to approve a transfer after finding the following to be true: 1) the transfer is in the best interest of the payee and their dependents, 2) the payee has been advised to seek professional advice and done so or waived the advice, and 3) the transfer does not conflict with any applicable law or court or governmental order. Federal law places a 40 percent excise tax on transfers of settlement rights that are not approved by a court; judges in some jurisdictions have expressed frustration with the limited criteria placed in law upon which to decide such transfers.

House Bill 2536 A specifies additional required findings that judges must make before approving a transfer agreement and provides additional factors for judges to consider in determining whether to approve a transfer agreement. The measure also requires certain information regarding the settlement payee's financial situation to appear in the petition for approval of the transfer agreement and adds one week to the existing three-day period for a payee to cancel a signed transfer agreement.

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This summary has not been adopted or officially endorsed by action of the committee.