

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, not statement issued

Action: Concur in Senate Amendments dated 6/5 and Further Amend and Repass the Bill

Vote: 6 - 0 - 0

Yeas: Close, Prozanski, Roblan, Barton, Richardson, Holvey

Nays: 0

Exc.: 0

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 6/28

WHAT THE MEASURE DOES: Adds criteria for court or administrative authority to consider for finding that transferring structured settlement is in payee’s best interest. Specifies content of petition to transfer payment rights, including payee’s declaration under oath whether payee depends on structured settlement payments or government benefits for necessary living expenses or medical care and treatment. Defines “independent professional advice.” Requires disclosure statement notice be sent to payee 14 days before payee signs agreement. Changes time payee has to cancel transfer agreement from three days after agreement is signed to any time prior to approval by court or administrative authority.

ISSUES DISCUSSED:

- Extent of existing problem
- Intent to guide judge in making informed decision without interfering with right of citizen

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Structured settlements are agreements for periodic payment of damages stemming from a tort or workers’ compensation claim. In 2005, Oregon allowed for the sale of structured settlement agreements in exchange for a lump sum payment. Because many structured settlements are created to establish a long term payment plan for vulnerable individuals, there is concern that the existing statute does not provide appropriate safeguards.

Existing Oregon law governing the transfer of structured settlement rights 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.