

STAFF MEASURE SUMMARY

Senate Committee On Judiciary

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 04/17/15

Action: Do Pass.

Meeting Dates: 04/17

Vote:

Yeas: 5 - Burdick, Gelser, Kruse, Prozanski, Thatcher

Prepared By: Laura Handzel, Administrator

WHAT THE MEASURE DOES:

Provides exception to Oregon Health Authority (OHA) and Department of Human Services (DHS) to provisions relating to real property sold or acquired, mineral or geothermal resources rights, or proceeds from rights held or acquired. Permits Oregon Department of Administrative Services, Department of State Lands, OHA and DHS to take necessary actions before operative date as needed. Contains scrivener's changes. Creates operative date of January 1, 2016. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Rate of occurrence of acquiring residential properties of two-three times per year
- Minimizes civil liability exposure
- Bill creates faster and less expensive system
- Inter-agency agreement possible to allow Department of Veterans Affairs to handle process

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) possess, as required by state and federal law, estate recovery programs for certain public benefit programs, such as Medicaid for long-term care recipients. When a benefits recipient passes away, DHS and OHA are required to seek reimbursement from their assets for some or all of the benefits received, with some exceptions. The current process required to sell residential properties involves the Department of Administrative Services (DAS), the Department of State Lands (DSL) and the State Land Board (SLB) as required under ORS Chapters 270 and 273. The process is complex, expensive and time-consuming, especially as it is tailored for large properties such as office buildings or rural land acreage. Oregon law currently provides exemptions from the requirements contained in ORS Chapters 270 and 273 for the Department of Veterans Affairs and the Housing and Community Services Department for their home loan programs.

Senate Bill 224 grants the same exception to DHS and OHA to allow them to more easily, quickly and efficiently address the occasional real property they acquire via the Estate Recovery Program. Senate Bill 224 institutes an operative date of January 1, 2016. It additionally permits DAS, DSL OHA and DHS to take necessary actions as needed before the operative date. The bill contains several scrivener's changes. It declares an emergency and is effective on passage.