

HB 2608 STAFF MEASURE SUMMARY

House Committee On Judiciary

Prepared By: Channa Newell, Counsel

Meeting Dates: 2/7

WHAT THE MEASURE DOES:

Corrects applicability of Oregon Uniform Trust Code to apply to trust proceedings started on or after effective date of measure. Declares emergency; effective on passage.

REVENUE: No revenue impact

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

In the 2015 Legislative Session, House Bill 2331 updated the Oregon Uniform Trust Code. The Oregon Uniform Trust Code was originally adopted in 2005 after development of the Code by the National Conference of Commissioners on Uniform State Codes. HB 2331 made several updates and changes to Oregon's trust law. First, the measure codified the "early vesting rule," allowing the interest of the beneficiary to vest upon the death of the settlor. Second, the measure clarified the rules for dividing trusts into shares or portions and brings such rules in alignment with the federal tax code. Finally, the measure addressed the allocation of qualifying capital gains into the Distributable Net Income of the trust. The changes to these statutes were effective on all trusts executed on or after January 1, 2016, but were not applied to new trust proceedings started after that date.

House Bill 2608 corrects the application error in HB 2331 and makes the Uniform Trust Code modifications applicable to trust proceedings commenced on or after the effective date of HB 2608.