

HB 2608 STAFF MEASURE SUMMARY

Carrier: Rep. Post

House Committee On Judiciary

Action Date: 02/07/17

Action: Do Pass.

Vote: 8-0-3-0

Yeas: 8 - Barker, Gorsek, Lininger, Olson, Post, Sanchez, Stark, Vial

Exc: 3 - Greenlick, Sprenger, Williamson

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Channa Newell, Counsel

WHAT THE MEASURE DOES:

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

ISSUES DISCUSSED:

- History of Oregon Uniform Trust Code
- Effect of erroneous applicability date
- Provisions of measure

EFFECT OF AMENDMENT:

No 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 Laws. 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 brought such rules in alignment with the federal tax code. Finally, the measure addressed the allocation of qualifying capitol 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.