

HB 2346 A STAFF MEASURE SUMMARY

Carrier: Sen. Riley

Senate Committee On Business and Transportation

Action Date: 04/26/17
Action: Do pass the A-Eng bill.
Vote: 5-0-0-0
Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen
Fiscal: Has minimal fiscal impact
Revenue: Has minimal revenue impact
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WHAT THE MEASURE DOES:

Directs insured institutions and credit unions to accept declaration, rather than affidavit, from Oregon Department of Human Services or Oregon Health Authority to pay a claim after the death of a depositor. Specifies that insured institutions and credit unions need authorization from agencies before releasing moneys on deposit to a depositor's adult child, parent or adult sibling prior to the 76th day after the death of the depositor in cases where the deposit does not exceed \$25,000.

ISSUES DISCUSSED:

- Difference between declaration and affidavit
- Intended to streamline processes by removing need to notarize certain documents

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Department of Human Services (DHS) and the Oregon Health Authority (OHA) are federally required to seek recovery of funds paid through supplemental income program assistance (ORS 411.708), general assistance (ORS 411.795), and medical assistance (ORS 416.350), upon the death of the recipient under certain conditions. Financial institutions may satisfy obligations to OHA and DHS from the account of a deceased person under certain conditions when those agencies are seeking recovery. When deposits do not exceed \$25,000, financial institutions may release the funds following the death of the depositor in the following prescribed order: to the spouse, to OHA and DHS when they demand payment 46 to 75 days following the death of the depositor, to the adult children, to the parent, and to siblings. Legislation enacted in 2015 (House Bill 2415) amended statutes governing private financial records so that financial institutions may release specific account information and records upon request and notice from OHA and DHS. The agencies use the information to determine whether to pursue recovery of funds.

House Bill 2346-A allows DHS and OHA to provide a declaration instead of an affidavit to an insured institution or credit union when seeking recovery of funds upon the death of a depositor. The financial institution or credit union may release funds to children, parents or siblings during the 75-day period following the death of a depositor if they receive authorization from the agencies. The financial institution can immediately release funds to the surviving spouse.