

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 2598

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Michael Graham
Reviewed by: Gregory Jolivet, Matt Stayner, John Borden
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Measure Description:

Permits creation of noncharitable business purpose trust.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS), Oregon Judicial Department (OJD), Department of Justice (DOJ)

Analysis:

This fiscal impact statement has been submitted to transmit the measure from the House Committee on Revenue to the House Committee on Judiciary.

The measure would permit the creation of noncharitable business purpose trusts, provided that the trust holds an ownership interest in a business not to financially benefit its shareholders or maximize profits, but to achieve business management objectives. The measure would also exempt these noncharitable business purpose trusts, if they expressly elect to do so, from the statutory “rule against perpetuities,” which generally prohibits noncharitable, unvested future interests in property from being enforced more than 90 years after their creation (or that have not vested within 21 years of the trust’s “measuring life”).

The measure is anticipated to have an impact on the Department of Consumer and Business Services, the Oregon Judicial Department, and the Department of Justice.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Judiciary.

Further Analysis Required