

HB 2447 -1 STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Prepared By: Matthew Perreault, LPRO Analyst

Meeting Dates: 2/1, 2/13

WHAT THE MEASURE DOES:

Specifies that insured financial institution must accept declaration made by Department of Human Services or Oregon Health Authority relating to claim against moneys in deposit only if declaration is submitted between 46 and 75 days following death of depositor.

REVENUE: No revenue impact

FISCAL: No fiscal impact

ISSUES DISCUSSED:

- Current law surrounding ability of state agency to access bank account of deceased individuals
- Need for consistent terminology throughout statute
- Need for clarity of timeline that applies in such cases
- Applicability to credit unions

EFFECT OF AMENDMENT:

-1 Applies equivalent provisions to credit unions.

BACKGROUND:

The state operates several financial assistance programs for individuals with low incomes, health needs, or other qualifying conditions that consist of cash transfers to a bank account. Oregon law provides the Department of Human Services (DHS) and the Oregon Health Authority (OHA) with the authority to claim the amount of financial assistance paid to an individual under certain programs, including the Medical Assistance, Oregon Supplemental Income, and General Assistance programs, against the individual's estate upon that person's death. The law specifies that this may only occur following the death of the deceased person's surviving spouse or if the person does not have a child who is under age 21, is blind, or has a total and permanent disability.

Financial institutions in Oregon may respond to declarations submitted by DHS or OHA asserting such claims and transfer the funds deposited in the deceased person's account to the agencies, whose claims take priority ahead of those by any surviving heirs. Surviving heirs are allowed to request an exemption due to financial hardship and to retain up to \$3,500 for burial expenses. The law specifies that financial institutions may transfer funds to the agencies only if the agencies submit their declarations between 46 and 75 days after the death of the depositor, in order to allow for surviving heirs to request from the agencies a financial hardship waiver within the first 45 days of the death. Financial institutions may not make payments to surviving heirs earlier than 76 days without authorization from DHS or OHA.

House Bill 2447 specifies that insured financial institutions are required to accept declarations from DHS or OHA demanding payment from a deceased individual's account, provided that such declarations are submitted between 46 and 75 days following the individual's death.