

# Senate Bill 556

Sponsored by Senator GELSER BLOUIN, Representatives DEXTER, REYNOLDS (at the request of Oulu Noonan)  
(Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits public bodies from seizing certain benefits and resources intended for persons in custody of Department of Human Services. Directs that such benefits and resources must be deposited with State Treasurer. Directs State Treasurer, in consultation with department, to establish specified accounts for benefit of person in department's custody.

## A BILL FOR AN ACT

1  
2 Relating to management of resources for benefit of persons in custody of Department of Human  
3 Services; creating new provisions; and amending ORS 419B.373.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. No public body, as defined in ORS 174.109, may seize Social Security benefits,**  
6 **death benefits, survivor benefits, crime victim impact payments, inheritance proceeds, wages**  
7 **or any other benefits or resources, other than child support payments, intended for a person**  
8 **under 21 years of age who is in the custody of the Department of Human Services for the**  
9 **purpose of using the seized benefits or resources to pay for services that the person would**  
10 **otherwise have been entitled or eligible through any state or federal agency or public or**  
11 **private program.**

12 **SECTION 2. (1) Social Security benefits, death benefits, survivor benefits, crime victim**  
13 **impact payments or any other benefits or resources, other than child support payments, in-**  
14 **tended for a person while the person was under 21 years of age and in the custody of the**  
15 **Department of Human Services that come into the possession of a public body, as defined in**  
16 **ORS 174.109, shall be deposited with the State Treasurer and held or distributed for the**  
17 **benefit of the person as provided in this section.**

18 **(2) The State Treasurer, in consultation with the department, shall establish separate**  
19 **accounts for each person for whom the State Treasurer receives benefits or resources under**  
20 **this section. Accounts established under this subsection may include, as applicable to the**  
21 **person's specific circumstances:**

22 **(a) Oregon Uniform Transfers to Minors Act accounts under ORS 126.805 to 126.886,**  
23 **which must delay transfer of the custodial property until the person attains 25 years of age.**

24 **(b) An account established under ORS 178.335 within the Oregon 529 Savings Network in**  
25 **the name of the person.**

26 **(c) An ABLE account established under ORS 178.380 with the person named as the des-**  
27 **ignated beneficiary.**

28 **(d) A trust established under ORS chapter 130, if the trust:**

29 **(A) Names the person as the sole beneficiary;**

30 **(B) Appoints an independent, qualified trustee;**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (C) Authorizes the trustee to make distributions on behalf of the person for qualified  
 2 expenses; and

3 (D) Distributes any remaining principal and interest to the person when the person at-  
 4 tains 30 years of age.

5 (e) Any other account that serves the purpose of preserving assets for the person, pro-  
 6 tecting the eligibility of the person for public benefits, to the extent practicable, and reducing  
 7 financial barriers to enhance the person’s opportunity for successful transition to adulthood.

8 (3) The State Treasurer, in consultation with the department, shall, by rule, describe the  
 9 kinds of expenses that constitute qualified expenses for purposes of subsection (2)(d) of this  
 10 section. Such expenses may include expenses for:

11 (a) Tuition, tutoring and training, including the costs of application fees, books, equip-  
 12 ment and testing.

13 (b) Transportation, including the purchase of a reliable vehicle or bicycle, to work,  
 14 training, affordable housing or family connection.

15 (c) Travel for educational purposes.

16 (d) Housing, including first and last month’s rent or resources to assist the person in  
 17 making a down payment for a house.

18 (e) Medical, dental and vision expenses not covered by health insurance, including for  
 19 deductibles and out-of-pocket costs.

20 (f) Child care for the person’s minor child.

21 (g) Technology needed to advance the person’s skills in school, work or independence,  
 22 including the purchase of a computer, or to maintain connections with siblings.

23 (h) Mental health services and counseling when the services and providers are chosen  
 24 voluntarily, are selected by the person and are not otherwise covered by insurance.

25 (i) Short-term payment of utilities, rent, auto insurance or other basic necessities, as  
 26 necessary for the person to maintain housing or enrollment in post-secondary education.

27 (j) One-time purchases of essential household supplies, including furniture, kitchen  
 28 equipment, linens and cleaning supplies.

29 **SECTION 3.** ORS 419B.373 is amended to read:

30 419B.373. A person, agency or institution having legal custody of a ward has the following duties  
 31 and authority:

32 (1) To have physical custody and control of the ward.

33 (2) To supply the ward with food, clothing, shelter and incidental necessities.

34 (3) To provide the ward with care, education and discipline.

35 (4) To authorize ordinary medical, dental, psychiatric, psychological, hygienic or other remedial  
 36 care and treatment for the ward, and, in an emergency where the ward’s safety appears urgently to  
 37 require it, to authorize surgery or other extraordinary care.

38 (5) To make such reports and to supply such information to the court as the court may from time  
 39 to time require.

40 (6) To apply for any Social Security benefits, public assistance or medical assistance, as defined  
 41 in ORS 414.025, to which the ward is otherwise entitled and, **except as provided in section 1 of**  
 42 **this 2023 Act**, to use the benefits or assistance to provide for the care of the ward.