

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	8 - 0 - 0
Yeas:	Berger, Edwards C., Garrard, Gelser, Jenson, Nolan, Read, Roblan
Nays:	0
Exc.:	0
Prepared By:	Jerry Watson, Administrator
Meeting Dates:	2/2, 3/2

WHAT THE MEASURE DOES: Changes ORS 194.070 to allow notary public to protest commercial paper only if notary is officer or employee of a financial institution or investment company, is a member of the Oregon State Bar, or serves under supervision of an officer, employee or member of a financial institution or investment company or under supervision of a member of the Oregon State Bar. Prohibits notary from protesting any commercial paper owned or held for collection by a financial institution or investment company if the notary is individually a part to the commercial paper. Allows Secretary of State to refuse to issue a commission as notary public or to suspend or revoke a commission of a notary for violation of ORS 194.070.

ISSUES DISCUSSED:

- Purpose of limiting use of notary protest of commercial paper

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Notary “protest” of commercial paper is a provision of law that creates a mechanism to demand payment of promissory notes, unpaid checks and other payment instruments through the physical presentment of the item. Proponents of this bill assert that the original purpose of protest was to facilitate banking transactions and that the continued appropriate use of that mechanism primarily involves banking and investment institutions.

The Secretary of State advises notaries public that protesting commercial paper is a complex process and is only appropriate when completed as part of an official banking act. Proponents assert that, despite such advice, notary protest has been misused in recent years to harass public officials, including judges, corrections officials, and law enforcement officials. The proposal restricts the use of notary protest of commercial paper to notaries that are officers or employees of a financial institution or investment company, a member of the Oregon State Bar, or serve under supervision of an officer, employee or member of a financial institution or investment company or under supervision of a member of the Oregon State Bar.