

**REVENUE:** No revenue impact

**FISCAL:** No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	4 - 0 - 1
<b>Yeas:</b>	Bonamici, Kruse, Metsger, Hass
<b>Nays:</b>	0
<b>Exc.:</b>	Morse
<b>Prepared By:</b>	Dana Richardson, Administrator
<b>Meeting Dates:</b>	5/6

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**WHAT THE MEASURE DOES:** Permits notary public to protest commercial paper under certain circumstances. Prohibits notary public who is stockholder, director, officer, or employee of a bank, trust company, or other corporation from protesting commercial paper owned or held for collection by the entity.

**ISSUES DISCUSSED:**

- Other mechanisms to protest commercial paper
- Ways in which protest can be used to harass someone
- Legal liability for notaries who fraudulently protest commercial paper

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Protesting commercial paper creates a mechanism to demand payment of promissory notes, unpaid checks and other payment instruments through the physical presentment of the item. The original purpose of protesting was to facilitate banking transactions. 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. However, it has been reported that notary protest has been used in recent years to harass public officials, including judges, corrections officials, and law enforcement officials.

House Bill 2090 restricts the use of notary protest to notaries who are officers or employees of a financial institution or investment company, a member of the Oregon State Bar, or serve under the supervision of an officer, employee, or member of a financial institution or investment company or under the supervision of an Oregon State Bar member. It prohibits a notary who is stockholder, director, officer, or employee of a bank, trust company, or other corporation from protesting commercial paper that is owned or held for collection by the entity. It also prohibits a notary from protesting any commercial paper owned or held for collection by a financial institution or investment company if the notary is individually a party to the commercial paper.

5/7/2009 10:42:00 AM

*This summary has not been adopted or officially endorsed by action of the committee.*