2009 Regular Legislative Session FISCAL ANALYSIS OF PROPOSED LEGISLATION Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 306 STATUS: B Engrossed

SUBJECT: Modifies law allowing award of attorney's fees.

GOVERNMENT UNIT AFFECTED: Oregon Judicial Department

PREPARED BY: Tim Walker **REVIEWED BY:** John Borden

DATE: May 27, 2009

<u>2009-2011</u> <u>2011-2013</u>

EXPENDITURES:

See Analysis.

EFFECTIVE DATE: January 1, 2010

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This bill allows the award of attorney's fees, under certain circumstances, to a plaintiff when the amount of damages is \$7,500 or less and increases the limit to \$10,000 in 2012. This would apply to an injury or wrong to a plaintiff or their property and to contract actions.

This measure has an indeterminate fiscal impact. While the Oregon Judicial Department (OJD) assumes that the ability to recover attorney's fees in a broader range of cases may provide incentive for plaintiffs to file more cases, it may be just as likely that a defendant may choose to settle a case before trial because of the potential that attorney's fees would be awarded in addition to the claim amount, if the court were to reach a decision in favor of the plaintiff.