

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3525 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: Tim Walker
Reviewed by: John Borden, Laurie Byerly, Doug Wilson
Date: 6/10/2011

Measure Description:

Provides that 10 percent of amount awarded as punitive damages under verdict in civil action is payable to Attorney General for deposit in Courthouse Capital Improvement Trust Fund.

Government Unit(s) Affected:

Counties, Department of Administrative Services (DAS), Department of Justice, Judicial Department

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.

Analysis: This bill creates the Courthouse Capital Improvement Trust Fund and funds it with a share of punitive damages awards. Currently, punitive damage awards are split with 40% going to the prevailing party and 60% dedicated to the Criminal Injuries Compensation Account administrated by DOJ. This bill reduces the punitive damages award that is currently payable to the prevailing party from the current 40% to 30%. The bill then dedicates 10% of the punitive damages award payable to the Attorney General for deposit into the Courthouse Capital Improvement Trust Fund to be used for paying the costs of capital improvements to county courthouses.

The receipts from punitive damages vary greatly from biennium to biennium. The DOJ reports that the 60% deposited in the Criminal Injuries Compensation Account since the 1999-01 biennium the deposit from punitive damages has varied from \$1.0 to \$11.4 million per biennium. These numbers reflect the amount collected and not necessarily the amount awarded. The same variance would apply to the 10% deposited into the new Courthouse Capital Improvement Trust Fund under this bill. The cost of establishing and managing the new Fund is minimal.

The Oregon Judicial Department (OJD) would have an indeterminate fiscal impact from developing county capital improvement studies and prioritized plans. Such expenses would be a General Fund expense since the measure does not provide for OJD expenses from the Courthouse Capital Improvement Trust Fund.

The Department of Administrative Services indicates no fiscal impact to establish and manage the fund.

Counties would have an indeterminate fiscal impact.

This measure may partially relieve counties of their financial responsibilities under ORS 1.185, where county government is statutorily responsible to "Provide suitable and sufficient courtrooms, offices and jury rooms for the court..."

The bill is applicable to causes of action that arise on or after the effective date of the bill.

