

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 1
Yeas:	Garrett, Nolan, Olson, Schaufler, Tomei, Wand, Whisnant, Barker, Krieger
Nays:	0
Exc.:	Hicks
Prepared By:	Drew Johnston, Counsel
Meeting Dates:	3/30

WHAT THE MEASURE DOES: Applies statutory choice of law rules to commercial contracts. Provides that those rules apply to all existing contracts except those contracts subject to civil action or arbitration. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Increasing access to credit for Oregon businesses
- Removing an unintended exclusion in the law that creates uncertainty for businesses

EFFECT OF COMMITTEE AMENDMENT: Adds back an exception for certain financial institution contracts.

BACKGROUND: The choice of law section (ORS 81.100 to 81.135) establishes rules governing the conflict of laws in contracts, and was introduced at the request of Representative Lane Shetterly for the Oregon Law Commission in the 2001 Legislative Session. The original bill did not contain the specific language exempting contracts with a financial institution, and it was later added as part of an amendment in the House. In contracts, businesses will frequently negotiate which state's laws they want to use should any issue arise. The choice of law section provides an enforcement mechanism for contracts.