

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Bonamici, Dingfelder, Kruse, Whitsett, Prozanski
Nays:	0
Exc.:	0
Prepared By:	Drew Johnston, Counsel
Meeting Dates:	5/2

WHAT THE MEASURE DOES: Provides that statutory choice of law provision for commercial contracts will be enforced as the parties' intended. Applies to contracts entered into before the effective date of the measure, except those subject to civil action or arbitration. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Effect on choice of law measure passed in 2001
- Court rulings that call into question whether the statute will be applied as intended

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.