

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Rules
Vote:	3 - 2 - 0
Yeas:	Bonamici, Dingfelder, Prozanski
Nays:	Kruse, Whitsett
Exc.:	0
Prepared By:	Aaron Knott, Counsel
Meeting Dates:	2/15, 4/5, 4/12, 4/13, 4/21

WHAT THE MEASURE DOES: Provides that a rate of nine percent per annum interest applies to all judgments for payment of money, to awards in court mandated arbitration proceedings and mediated agreements related to consumer contracts that are subject to judgment for failure to comply with the result of the mediation. Sets nine percent as the default rate of interest for contracts or agreements wherein there has been no explicit determination of interest. Makes grammatical fixes to previous ORS 82.010.

ISSUES DISCUSSED:

- Various industry interest rates applied after a finding of default
- Whether the bill applies to all contracts or only some contracts
- Whether the terms of the bill would apply to automatic or cyclical contracts
- Constitutional implications of potentially interfering with the right to contract

EFFECT OF COMMITTEE AMENDMENT: Clarifies the scope of the measure.

BACKGROUND: ORS 82.010 designates nine percent per annum as the legal rate of interest to be paid on contracts or agreements within certain categories but does not include court mandated mediation or arbitration. Senate Bill 516 A brings court mandated mediation and arbitration enforcement under the purview of the nine percent interest figure. Senate Bill 516 A only applies to arbitration proceedings and mediated agreements related to a contract entered into by an individual to purchase goods or services for the individual's personal, family or household purposes. Senate Bill 516 A applies to contracts entered into, renegotiated, renewed, extended, sold, assigned or otherwise transferred on or after the effective date of the Act.