

# House Bill 3300

Sponsored by Representative BARKER; Representatives CLEM, DEMBROW, GREENLICK, HOLVEY, HOYLE, MATTHEWS, J SMITH, WITT

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Task Force on Investment Account Protection for Senior Citizens and prescribes powers and duties of task force.

Sunsets task force on date of convening of 2013 regular session of Legislative Assembly.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to protecting investment funds of senior citizens; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Task Force on Investment Account Protection for Senior Citizens**  
5 **is established, consisting of nine members appointed as follows:**

6 (a) **The President of the Senate shall appoint two members from among members of the**  
7 **Senate.**

8 (b) **The Speaker of the House of Representatives shall appoint two members from among**  
9 **members of the House of Representatives.**

10 (c) **The Governor shall appoint three members as follows:**

11 (A) **Two employees of the Department of Consumer and Business Services who have ex-**  
12 **pertise in securities regulation; and**

13 (B) **A representative of a group that advocates on behalf of senior citizens.**

14 (d) **The Attorney General shall appoint two members who are employees of the Depart-**  
15 **ment of Justice and who have expertise in enforcing provisions of ORS 646.605 to 646.652.**

16 (2) **The task force shall:**

17 (a) **Investigate the need to enact state law or adopt rules to:**

18 (A) **Require brokers and dealers in securities to adhere to a prudent person standard**  
19 **when managing investment or brokerage accounts for senior citizens; and**

20 (B) **Prohibit brokers and dealers in securities from placing funds the brokers and dealers**  
21 **receive from senior citizens into high-risk investments without disclosing the risks involved**  
22 **in the high-risk investment or churning the funds in order to generate commissions for the**  
23 **broker or dealer.**

24 (b) **Recommend an approach for regulating the conduct described in paragraph (a) of this**  
25 **subsection, which may include new legislation, rulemaking, additional enforcement powers**  
26 **for the Department of Consumer and Business Services or the Attorney General or a com-**  
27 **bination of measures.**

28 (3) **The task force may take testimony, conduct surveys, perform investigations, convene**  
29 **work groups and take other actions necessary to perform the responsibilities identified in**  
30 **subsection (2) of this section.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (4) A majority of the members of the task force constitutes a quorum for the transaction  
2 of business.

3 (5) Official action by the task force requires the approval of a majority of the members  
4 of the task force.

5 (6) The task force shall elect one of the members of the task force to serve as chair-  
6 person.

7 (7) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
8 ment to become immediately effective.

9 (8) The task force shall meet at times and places specified by the call of the chairperson  
10 or of a majority of the members of the task force.

11 (9) The task force may adopt rules necessary for the operation of the task force.

12 (10) The task force shall submit a report, and may include recommendations for legis-  
13 lation, to an interim committee of the Legislative Assembly related to securities regulation  
14 as appropriate no later than October 1, 2012.

15 (11) The Department of Consumer and Business Services shall provide staff support to  
16 the task force.

17 (12) Members of the task force who are not members of the Legislative Assembly are not  
18 entitled to compensation, but may be reimbursed for actual and necessary travel and other  
19 expenses incurred by them in the performance of their official duties in the manner and  
20 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions  
21 of the task force shall be paid out of funds appropriated to the Department of Consumer and  
22 Business Services for purposes of the task force.

23 (13) All agencies of state government, as defined in ORS 174.111, are directed to assist  
24 the task force in the performance of its duties and, to the extent permitted by laws relating  
25 to confidentiality, to furnish such information and advice as the members of the task force  
26 consider necessary to perform their duties.

27 **SECTION 2.** Section 1 of this 2011 Act is repealed on the date of the convening of the 2013  
28 regular session of the Legislative Assembly as specified in ORS 171.010.

29 **SECTION 3.** This 2011 Act being necessary for the immediate preservation of the public  
30 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect  
31 on its passage.  
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