

**A-Engrossed**  
**House Bill 3525**

Ordered by the House June 21  
Including House Amendments dated June 21

Sponsored by COMMITTEE ON JUDICIARY

**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.

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.

Establishes Courthouse Capital Improvement Trust Fund. Appropriates moneys in the account to Oregon Department of Administrative Services, and limit uses of those moneys to payment of costs of capital improvements to county courthouses.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to courthouse capital improvements; creating new provisions; amending ORS 31.735; ap-  
3 propriating money; and declaring an emergency.

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

5 **SECTION 1.** ORS 31.735 is amended to read:

6 31.735. (1) Upon the entry of a verdict including an award of punitive damages, the Department  
7 of Justice [*shall become a judgment creditor as to the punitive damages portion of the award to which*  
8 *the Criminal Injuries Compensation Account is entitled pursuant to paragraph (b) of this subsection*]  
9 **becomes a judgment creditor as to the amounts payable under paragraphs (b) and (c) of this**  
10 **section**, and the punitive damage portion of an award shall be allocated as follows:

11 (a) [*Forty*] **Thirty** percent [*shall be paid*] **is payable** to the prevailing party. The attorney for  
12 the prevailing party shall be paid out of the amount allocated under this paragraph, in the amount  
13 agreed upon between the attorney and the prevailing party. However, in no event may more than  
14 20 percent of the amount awarded as punitive damages be paid to the attorney for the prevailing  
15 party.

16 (b) Sixty percent [*shall be paid to*] **is payable to the Attorney General for deposit in** the  
17 Criminal Injuries Compensation Account of the Department of Justice Crime Victims' Assistance  
18 Section [*to*], **and may** be used **only** for the purposes set forth in ORS chapter 147. However, if the  
19 prevailing party is a public entity, the amount otherwise payable to the Criminal Injuries Compen-  
20 sation Account shall be paid to the general fund of the public entity.

21 (c) **Ten percent is payable to the Attorney General for deposit in the Courthouse Capital**  
22 **Improvement Trust Fund, and may be used only for the purposes specified in section 2 of this**  
23 **2011 Act.**

24 (2) The party preparing the proposed judgment shall assure that the judgment identifies the  
25 judgment creditors specified in subsection (1) of this section.

26 (3) Upon the entry of a verdict including an award of punitive damages, the prevailing party

**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 shall provide notice of the verdict to the Department of Justice. In addition, upon entry of a judg-  
2 ment based on a verdict that includes an award of punitive damages, the prevailing party shall  
3 provide notice of the judgment to the Department of Justice. The notices required under this sub-  
4 section must be in writing and must be delivered to the Department of Justice Crime Victims' As-  
5 sistance Section in Salem, Oregon within five days after the entry of the verdict or judgment.

6 (4) Whenever a judgment includes both compensatory and punitive damages, any payment on the  
7 judgment by or on behalf of any defendant, whether voluntary or by execution or otherwise, shall  
8 be applied first to compensatory damages, costs and court-awarded attorney fees awarded against  
9 that defendant and then to punitive damages awarded against that defendant unless all affected  
10 parties, including the Department of Justice, expressly agree otherwise, or unless that application  
11 is contrary to the express terms of the judgment.

12 (5) Whenever any judgment creditor of a judgment which includes punitive damages governed  
13 by this section receives any payment on the judgment by or on behalf of any defendant, the judgment  
14 creditor receiving the payment shall notify the attorney for the other judgment creditors and all  
15 sums collected shall be applied as required by subsections (1) and (4) of this section, unless all af-  
16 fected parties, including the Department of Justice, expressly agree otherwise, or unless that appli-  
17 cation is contrary to the express terms of the judgment.

18 **SECTION 2. (1) The Courthouse Capital Improvement Trust Fund is established separate**  
19 **and distinct from the General Fund. The Courthouse Capital Improvement Trust Fund con-**  
20 **sists of moneys deposited to the credit of the fund under ORS 31.735. Interest earned by the**  
21 **fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the**  
22 **Oregon Department of Administrative Services, and may be used only for the purpose of**  
23 **paying for the costs of capital improvements to county courthouses under the plan developed**  
24 **by the Chief Justice of the Supreme Court under subsection (2) of this section.**

25 **(2) The Chief Justice of the Supreme Court shall develop a plan for capital improvements**  
26 **to county courthouses. The plan shall prioritize the need for capital improvements in the**  
27 **counties and establish budgets for capital improvement projects. The Chief Justice may re-**  
28 **verse the plan at any time. Amounts deposited in the Courthouse Capital Improvement Trust**  
29 **Fund may be expended only pursuant to the provisions of the plan.**

30 **SECTION 3. The amendments to ORS 31.735 by section 1 of this 2011 Act apply only to**  
31 **causes of action that arise on or after the effective date of this 2011 Act.**

32 **SECTION 4. This 2011 Act being necessary for the immediate preservation of the public**  
33 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
34 **on its passage.**