

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	8 - 0 - 1
Yeas:	Barton, Cameron, Garrett, Krieger, Olson, Tomei, Williamson, Barker
Nays:	0
Exc.:	Hicks
Prepared By:	Anna Braun, Counsel
Meeting Dates:	2/6

WHAT THE MEASURE DOES: Allows attorney acting as a custodian when assisting in closing down a law practice to have priority over unsecured creditors when collecting on a judgment lien. Allows email notification by the Oregon State Bar for members in default in payment of membership fees. Reduces number of days for determination of default for non-payment of dues. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Meaning of non-possessory lien
- Credit cards as unsecured creditors

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: If an attorney is determined to be “non-performing” by a court under ORS 9.705 to 9.755, the court has authority to appoint other lawyers as custodians to close down the law practice. In doing so, expenses are to be paid through funds of the non-performing law practice. If there are more expenses than funds, a lien can be placed on the property of the law practice. House Bill 2565 states that such a lien takes priority over unsecured creditors, including non-possessory liens and unperfected security interests.

In addition, House Bill 2565 allows notices of delinquency for failure to pay membership dues or failure to disclose required trust account information to be sent by the bar through the bar members email. Default for non-payment of dues occurs after 30 days instead of 90 days.