

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

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|-----------------------|---------------------------------|
| <b>Action:</b>        | Do Pass the A-Engrossed Measure |
| <b>Vote:</b>          | 3 - 2 - 0                       |
| <b>Yeas:</b>          | Dembrow, Roblan, Prozanski      |
| <b>Nays:</b>          | Close, Kruse                    |
| <b>Exc.:</b>          | 0                               |
| <b>Prepared By:</b>   | Channa Newell, Counsel          |
| <b>Meeting Dates:</b> | 2/20, 2/25                      |

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**WHAT THE MEASURE DOES:** Authorizes court to order unclaimed class action awards to be paid to Legal Aid Supplementary Account. Specifies interest from Account is to be distributed to Oregon State Bar for use in funding Legal Services Program. Changes process for payment of damages in class action suit. Applies to class actions in which judgment has not been entered prior to effective date. Declares emergency; effective on passage.

**ISSUES DISCUSSED:**

- Procedures in class action lawsuits
- Effect of measure on determination of damages and notice to class of damages
- Determination of class not affected by measure
- Current settlement negotiations impacted by measure
- Need for Legal Aid and Legal Services Program
- Input of Oregon Council of Court Procedures on issue

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** When an award of damages is made in favor of the injured parties in a class action suit, a percentage of the injured parties do not file a claim and do not receive their portion of the award. Under current Oregon law, damages are set aside for all injured parties in a class action suit and all unclaimed damages are returned to the defendant.

House Bill 4143-A directs courts to order all unclaimed damages of a class action suit to be deposited in the Legal Aid Supplementary Account to be administered by the Department of Administrative Services. The interest earned on the money in the Account is disbursed on a quarterly basis to the Oregon State Bar only for use in funding the Legal Services Program. The Legal Service Program was created in 1998 and provides free civil legal services to low-income individuals. Currently, the Oregon State Bar receives \$11.9 million each biennium from the Legal Aid Account to fund the Legal Services Program.

The measure removes the current procedural rules that specify individual class member notification procedure for determining damages to be paid out and instead authorizes courts to develop and approve the process that is used to pay damages to the individual class members. The measure would impact class action suits in which a judgment has not yet been entered.