

Class Action Rewrite: False promise, political overreach

Oregon lawmakers will consider legislation (Senate Bills 401 and 466 and House Bills 2700 and 2760) proposing to “reform” Oregon’s class action system while promising to “rescue” Oregon Legal Aid.

In reality, this legislation sends the wrong message to business and will not deliver the huge windfall proponents claim. We oppose this approach because:

- **It will not result in a stable, sustainable source of funding for Legal Aid.** After analyzing a nearly identical proposal from 2014 (House Bill 4143), the Legislative Revenue Office was unable to determine any estimated revenue amount that might be generated for Legal Aid. In his report, the Legislature’s chief Revenue Officer cited the “uneven, unpredictable manner” in which class action settlements occur.
- **Proponents are counting on one particular class action case that will be appealed.** This case could be tied up in the courts for five years and not a single dollar will go to Legal Aid before it is resolved. If the appeal succeeds, this legislation will generate no money for Legal Aid.
- **Changing the rules in the middle of the game is not fair play.** Writing legislation to target litigation that has already been tried and a verdict rendered is unjust and will likely be challenged in court.
- **Oregon has a carefully balanced class action system.** Our state’s unique class action rules pair access to the class action process with a rigorous post-trial claims process to make sure that only persons in a certified class who are truly injured collect damages. The changes proposed in these bills would leave Oregon with a class action law unlike any other state and would upset a balanced system.

Oregon businesses encourage the 2015 Legislature to engage in a thoughtful discussion of any proposed changes to the state’s class action rules. It’s important for the true impacts to be understood. For more information, please contact Fawn Barrie – 503-580-5487.

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