

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2700
Revenue Area: Court Judgments
Economist: Mazen Malik
Date: Feb-2-2015**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

The revenue impact of this measure is indeterminate for the following reasons:

House Bill 2700 establishes a cy pres rule within ORCP 32. In class action suits, after a judgment has been entered and award distributed, there may be money remaining from uncashed checks or unclaimed funds. In many states, this money is directed to another entity or purpose, and is not returned to the defendant. This principle is called "cy pres." Oregon does not have a cy pres rule and any unclaimed moneys at the conclusion of a class action are returned to the defendant.

HB 2700 directs 50 percent of unclaimed or unpaid moneys be directed to the Oregon State Bar for the sole purpose of funding the Legal Services Program. The remaining 50 percent is distributed to any entity that the court determines is directly related to the class action or is directly beneficial to the class. It changes ORCP 32 so that courts may determine the claims process on a case by case basis and removes the "opt-in" mechanism for individual recovery from the judgment. HB 2700 takes effect upon passage and applies to those class actions in which a final judgment has been not been entered or, if final judgment has been entered the time to appeal has not expired, as of the effective date.

The State of Oregon currently provides, in the Oregon Judicial Department budget, \$11.9 million of Other Funds court fee revenues to the Legal Services Program each biennium. Any funds from unclaimed damages would be paid directly to the Oregon State Bar and be in addition to the state's support. The Oregon State Bar is not a state agency but legal aid is established in ORS 9.572, however, the unclaimed damages awarded to the program would not be included in the state budget or revenue stream and are not required to be continuously appropriated.

The revenue from these lawsuits and cases are not known with any certainty. What amounts might be generated, and in which frame of time is unknown. At the same time, there is likely to be revenues going to the Legal Aid fund in more than one future biennium as a result of this bill. However, it is not possible to project when that may occur.

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