

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

Bill Number:	HB 2700 MRHA
Revenue Area:	Court Judgments
Economist:	Mazen Malik
Date:	Feb-5-2015

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

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

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.

House Bill 2700-MRA establishes a cy pres rule within ORCP 32 by directing any money remaining after payment to class members, attorney fees, and costs to the Oregon State Bar for the purpose of funding the Legal Services Program. It also changes ORCP 32B to change the method by which courts determine if a class action is maintainable. The measure removes the claims form process and requires the court to give notice of the maintainability of the class action to all members who can be identified through reasonable efforts. The measure would only apply to suits commenced on or after the effective date of the act

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. 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.