

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2700 - MRHA

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

Prepared by: John Terpening
Reviewed by: Steve Bender, John Borden
Date: 2-5-2015

Measure Description:

Authorizes court, as part of settlement or judgment in class action, to approve process for payment of damages.

Government Unit(s) Affected:

Department of Justice, Judicial Department

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure requires the court to order that any residual funds that remain from a class action settlement, after payment of claims, attorney fees and costs, be distributed to the Oregon State Bar for the funding of the Legal Services Program (aka, Legal Aid). Currently, unclaimed damages are returned to the defendant. Data on the amounts of unclaimed damages from class action settlements are unavailable and cannot be provided.

The measure changes the method by which courts determine if a class action is maintainable, and removes the claims form process. The court is directed to give notice to all members of an affected class that can be identified through reasonable effort and allows for settlements that do not create residual funds.

There is a minimal fiscal impact to the Oregon Judicial Department (OJD) as a result of this measure. OJD anticipates having to conduct additional hearings to define the class in a case and to educate parties on the changes to class action process.

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 residual funds would be paid directly to the Oregon State Bar and be in addition to the state's support. Because the Oregon State Bar is not a state agency, however, the residual funds would not be included in the state budget and are not required to be continuously appropriated.

The Legislative Fiscal Office notes that the measure makes changes to the Oregon Rules of Civil Procedure (ORCP). The Council on Court Procedures retains authority to adopt amendments to the ORCP administratively.