

SB 899 STAFF MEASURE SUMMARY

House Committee On Judiciary

Prepared By: Josh Nasbe, Counsel

Meeting Dates: 5/8

WHAT THE MEASURE DOES:

Creates Oregon Receivership Code (ORC). Establishes general rule, subject to exceptions, that ORC applies to all receivership proceedings conducted in state court. Excludes specified property from scope of ORC. Provides court appointing receiver with exclusive jurisdiction over receiver, property subject to receivership and controversies involving receivership. Creates automatic stay of specified judicial and administrative actions and other acts pertaining to owner and estate property. Describes powers, duties and obligations of receiver and owner. Authorizes receiver to manage estate property, including operation of business, assertion of legal claims and defenses, affirmation or rejection of contracts and payment of claims against estate. Requires receiver to obtain court order before taking specified actions. Establishes notice and objection process applicable to other actions.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Receivership is a process by which a court appoints a person to manage the property of another, frequently in the context of the dissolution or liquidation of an insolvent business entity. Receivers are provided with a broad grant of authority to take possession, manage and dispose of real and personal property, while settling outstanding claims from the available assets - all while under the direction of a circuit court judge.

Currently, receiverships are authorized by multiple provisions of law. For example, specific authority applicable to insurance companies is found in ORS chapter 734. More broadly, Oregon Rules of Civil Procedure 80 authorizes a circuit court to appoint a receiver in civil actions under specified circumstances. Senate Bill 899-A establishes a detailed set of rules applicable to receivership proceedings conducted in Oregon's state courts.