

**SB 899 A STAFF MEASURE SUMMARY**

**Senate Committee On General Government and Accountability**

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**Action Date:** 04/05/17  
**Action:** Without recommendation as to passage and be referred to Ways and Means by prior reference.  
**Vote:** 3-0-2-0  
**Yeas:** 3 - DeBoer, Hass, Riley  
**Exc:** 2 - Prozanski, Thatcher  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** Has minimal revenue impact  
**Prepared By:** C. Ross, LPRO Analyst

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**WHAT THE MEASURE DOES:**

Creates Oregon Receivership Code (ORC) for court-initiated appointment of receivers and administration of receiverships. Excludes actions commenced under federal law or where state agency is authorized to seek appointment. Provides appointing court with exclusive jurisdiction over receiver, subject property and derivative actions, with some exceptions. Requires receivers to disclose conflicts of interest. Provides for scope of powers and duties, exercise of authority, and personal liability. Directs automatic stay of judgments and claims against subject property upon order of appointment, with exclusions, relief from stay, and penalties for violation. Requires reasonable description of subject property in appointment order; construes order to include all property absent description; and permits all property to be included regardless of location. Permits court to require security from person requesting receiver, and to require bond, alternative security or insurance from receiver. Provides for notice and service of process. Specifies receiver actions that require court order. Prohibits turnover of residential property absent specific court approval. Requires full cooperation of property owners. Provides for establishment of claims process and sets distribution priority. Provides for removal of receiver and termination of receivership. Deems ORC provisions controlling, if ORC is applicable, over conflicting provisions in other sections of law except with respect to the Oregon Housing Receivership Act.

**ISSUES DISCUSSED:**

Provisions of measure

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

*Receivers* are appointed by courts to manage and dispose of property pending the outcome of a civil action, such as a business dissolution, and *receivership* refers to the process. Receiverships apply in a variety of contexts, but according to the Oregon Law Commission (OLC), receivers are most frequently requested by a property owner's creditors to manage, liquidate and distribute property when owners are deadlocked or insolvent. Rule 80 of the Oregon Rules of Civil Procedure, along with limited case law, provide some guidance, but Oregon does not currently have a uniform code to govern receiverships. Senate Bill 899-A is the result of work group efforts first undertaken by the OLC in March of 2016, to develop such a code. As a neutral, legislatively-created body, OLC is charged with seeking improvement of Oregon laws, including the development and proposal of new provisions when gaps are identified. The work group consisted of more than a dozen participants, primarily from the judicial branch and from among individuals in private legal practice.

Senate Bill 899-A enacts the Oregon Receivership Code to provide more consistent administration of receiverships.