

SB 899 A STAFF MEASURE SUMMARY**Carrier:** Rep. Vial**House Committee On Judiciary****Action Date:** 05/08/17**Action:** Do Pass the A-Eng bill.**Vote:** 10-0-1-0**Yeas:** 10 - Barker, Gorsek, Greenlick, Lininger, Post, Sanchez, Sprenger, Stark, Vial, Williamson**Exc:** 1 - Olson**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Josh Nasbe, Counsel**WHAT THE MEASURE DOES:**

Creates Oregon Receivership Code (ORC). Establishes general rule, subject to exceptions, that ORC applies to all receivership proceedings conducted in Oregon courts. 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:

- Extent of guidance provided by Oregon Rules of Civil Procedure
- Ability of state agency to opt-in to provisions of bill
- Powers of receiver
- Amalgamation of Uniform Receivership Act, Washington Receivership Act and Oregon Rules of Civil Procedure

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, reject or execute contracts and settle outstanding claims from the available assets - all while under the direction of a court.

Currently, receiverships are authorized by multiple provisions of law. For example, ORS chapter 60 authorizes a court to appoint a receiver to wind up and liquidate the business of a corporation. 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 broadens the circumstances under which a court may appoint a receiver, establishes a detailed set of rules applicable to receivership proceedings conducted in many court proceedings and addresses the relationship between existing law and the bill. Senate Bill 899-A describes the process by which a receiver is appointed and the requirements for doing so. The bill addresses the jurisdiction and authority of the appointing court; the powers, duties and obligations of the receiver and property owner; notification and reporting requirements applicable to the receiver; specific rules for contractual obligations and real property subject to receivership; a claims process a receiver may establish to resolve outstanding financial obligations; and stays of certain related judicial and administrative proceedings.