

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 531

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes right to reimbursement for actual damages resulting from cessation of business operations required by emergency rules or orders.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Oregon Judicial Department (OJD), Department of Justice (DOJ)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

SB 531 establishes the right of businesses in Oregon subject to the Governor's Declaration of a State Emergency to bring action against the state for reimbursement for actual damages resulting from temporary or permanent cessation of business operations.

Oregon Judicial Department (OJD)

If this bill becomes law, OJD will likely need additional staffing and resources in order to respond to cases brought in Circuit Courts, the Court of Appeals, and the Supreme Court. Although the number of potential cases that may result from the measure cannot be accurately projected and quantify at this time, note that in December of 2020, there were over 475,000 businesses registered with the Secretary of State Corporations Division. In addition, OJD reports that this type of case will involve a myriad of difficult and complex legal questions and will be ardently contested. OJD predicts that pretrial and trial activity will require more court resources than the average civil case for management, motion practice, tracking, settlement, and trial. Furthermore, OJD anticipates that the legal issues raised by the measure will result in appellate litigation in the Court of Appeals and the Supreme Court.

Department of Justice (DOJ)

Depending on the number of potential of cases that may result from this measure, the Trial Division of the Department of Justice will likely need additional staffing and resources to represent the state in these cases.

Department of Administrative Services (DAS)

Passage of this bill is anticipated to have a fiscal impact to the Department of Administrative Services' Risk Management program which provides liability and restoration insurance coverage for the state. The State of Oregon is a self-insured public entity. If this bill becomes law, when businesses file for reimbursement against the state self-insurance fund, in addition to the cost of claim payouts, the Risk Management program will incur costs to evaluate, investigate, and resolve claims.

Although the fiscal impact of this bill is not quantifiable at this time, passage of this bill could have a significant fiscal impact on the state.