

HB 2274 -3 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Meeting Dates: 1/26, 3/23

WHAT THE MEASURE DOES:

Updates, clarifies, and modernizes the provisions of the Oregon Securities Law and related statutes. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Regulation of securities in Oregon
- Provisions of proposed amendment
- Applicability of public records law

EFFECT OF AMENDMENT:

-3 Replaces original measure. Authorizes Director of Department of Consumer and Business Services to request, for examination, books, accounts, records, and other information for review, and to impose civil penalty for failure to provide such documents promptly and truthfully. Provides confidentiality protections for persons under investigation for securities violations. Provides for civil penalties of up to \$60,000 per violation, up to \$300,000 total, if injured investor is deemed to be a vulnerable person as defined in ORS 59.480. Authorizes Director to order payment of restitution to injured investors.

FIS: No fiscal impact on measure w/the -1 amendment

RIS: No revenue impact on measure w/the -1 amendment

BACKGROUND:

The term "securities" can refer to a wide range of investments or other financial arrangements. It refers to when an investor provides money to a second party, often a company or similar entity, with the expectation that the investment will result in accrued value. The most common form of securities are corporate stocks, interest in a limited partnership, or United States savings bonds, though there are other types of financing arrangements that can involve a security. Entities that offer and sell securities in Oregon are generally required to register with the Department of Consumer and Business Services' Division of Financial Regulation, though there are some exemptions offered. Similarly, DCBS licenses individuals that sell securities, or who offer investment advice.