

**SENATE MINORITY REPORT
AMENDMENTS TO
A-ENGROSSED HOUSE BILL 4143**

By Nonconcurring Members of COMMITTEE ON JUDICIARY

March 3

1 On page 1 of the printed A-engrossed bill, line 2, after “amending” delete the rest of the line
2 and delete line 3 and insert “ORS 9.577 and ORCP 32 M; and appropriating money.”.

3 Delete lines 5 through 24 and delete pages 2 and 3 and insert:

4 “**SECTION 1.** ORCP 32 M is amended to read:

5 “M Attorney fees, costs, disbursements, and litigation expenses.

6 “M(1)(a) Attorney fees for representing a class are subject to control of the court.

7 “M(1)(b) If under an applicable provision of law a defendant or defendant class is entitled to
8 attorney fees, costs, or disbursements from a plaintiff class, only representative parties and those
9 members of the class who have appeared individually are liable for those amounts. If a plaintiff is
10 entitled to attorney fees, costs, or disbursements from a defendant class, the court may apportion
11 the fees, costs, or disbursements among the members of the class.

12 “M(1)(c) If the prevailing class recovers a judgment that can be divided for the purpose, the
13 court may order reasonable attorney fees and litigation expenses of the class to be paid from the
14 recovery.

15 “M(1)(d) The court may order the adverse party to pay to the prevailing class its reasonable
16 attorney fees and litigation expenses if permitted by law in similar cases not involving a class.

17 “M(1)(e) In determining the amount of attorney fees for a prevailing class the court shall con-
18 sider the following factors:

19 “M(1)(e)(i) The time and effort expended by the attorney in the litigation, including the nature,
20 extent, and quality of the services rendered;

21 “M(1)(e)(ii) Results achieved and benefits conferred upon the class, **not including damages that**
22 **are unclaimed as provided in section 2 of this 2014 Act;**

23 “M(1)(e)(iii) The magnitude, complexity, and uniqueness of the litigation;

24 “M(1)(e)(iv) The contingent nature of success; and

25 “M(1)(e)(v) Appropriate criteria in Rule 1.5 of the Oregon Rules of Professional Conduct.

26 “M(2) Before a hearing under section C of this rule or at any other time the court directs, the
27 representative parties and the attorney for the representative parties shall file with the court,
28 jointly or separately:

29 “M(2)(a) A statement showing any amount paid or promised them by any person for the services
30 rendered or to be rendered in connection with the action or for the costs and expenses of the liti-
31 gation and the source of all of the amounts;

32 “M(2)(b) A copy of any written agreement, or a summary of any oral agreement, between the
33 representative parties and their attorney concerning financial arrangement or fees; and

34 “M(2)(c) A copy of any written agreement, or a summary of any oral agreement, by the repre-

1 tentative parties or the attorney to share these amounts with any person other than a member,
2 regular associate, or an attorney regularly of counsel with the law firm of the representative parties'
3 attorney. This statement shall be supplemented promptly if additional arrangements are made.

4 **“M(3) If an agreement between the representative parties and their attorney provides for**
5 **the representative parties to pay to the attorney a percentage of damages recovered by the**
6 **class as attorney fees, the court may not award as attorney fees any percentage of damages**
7 **that are unclaimed as provided in section 2 of this 2014 Act.**

8 **“SECTION 2. ORCP 32 is amended by adding a new section O to read:**

9 **“O Payment of damages. If any amount awarded in a judgment in a class action, other**
10 **than a judgment approving a settlement, is not claimed within the time specified by the**
11 **court, the court shall order that:**

12 **“(1) Fifty percent of the amounts not paid to class members be deposited in the Legal**
13 **Aid Account established in ORS 9.577; and**

14 **“(2) Fifty percent of the amounts not paid to class members be deposited in the Domestic**
15 **Violence Programs Account established in section 4 of this 2014 Act.**

16 **“SECTION 3. ORS 9.577 is amended to read:**

17 **“9.577. (1) The Legal Aid Account is established in the General Fund of the State Treasury. All**
18 **moneys in the account are continuously appropriated to the State Court Administrator for the pur-**
19 **pose of [the distributions required by this section.] funding the Legal Services Program established**
20 **under ORS 9.572. Upon request of the State Court Administrator, the State Treasurer shall**
21 **create subaccounts within the account for the purposes of managing moneys in the account**
22 **and distributing moneys from the account as described in this section. The State Treasurer**
23 **may charge the account for actual costs associated with the administration of the account.**
24 **Interest earned by the account shall be credited to the General Fund.**

25 **“(2) Each month, the State Court Administrator shall transfer to the Legal Aid Account, from**
26 **amounts collected by the State Court Administrator as fees and charges in the circuit courts, the**
27 **amounts necessary to make the distributions required by subsection (3) of this section.**

28 **“(3) Each biennium, the State Court Administrator shall distribute to the Oregon State Bar \$11.9**
29 **million from the Legal Aid Account, using the amounts transferred to the account under sub-**
30 **section (2) of this section. Distributions under this [section] subsection shall be made by the State**
31 **Court Administrator in eight quarterly installments of equal amounts[, with the first distribution to**
32 **be made as soon as possible after July 1, 2011]. Amounts distributed to the Oregon State Bar under**
33 **this subsection may be used only for the funding of the Legal Services Program established under**
34 **ORS 9.572.**

35 **“(4) The State Court Administrator may make further distributions to the Oregon State**
36 **Bar from the amounts deposited in the Legal Aid Account under section 2 of this 2014 Act.**
37 **Amounts distributed to the Oregon State Bar under this subsection may be used only for the**
38 **funding of legal services related to domestic violence offered by the Legal Services Program.**

39 **“SECTION 4. The Domestic Violence Programs Account is established in the State**
40 **Treasury, separate and distinct from the General Fund. All moneys in the account are con-**
41 **tinuously appropriated to the Department of Justice and may be used only for distribution**
42 **to district attorneys for use in domestic violence programs. The State Treasurer may charge**
43 **the account for actual costs associated with the administration of the account. Interest**
44 **earned by the account shall be credited to the General Fund.**

45 **“SECTION 5. At least once every five years for as long as the Legal Services Program**

1 established under ORS 9.572 receives funding from the state or from local governments, the
2 Secretary of State shall conduct a financial audit of the Legal Services Program established
3 under ORS 9.572. The actual costs of conducting the audits shall be charged to the Oregon
4 State Bar.

5 **“SECTION 6. (1) On or before December 31 of every even-numbered year, the Oregon**
6 **State Bar shall prepare and submit to an appropriate interim committee of the Legislative**
7 **Assembly a detailed report on the Legal Services Program. The report must include, but need**
8 **not be limited to:**

9 **“(a) A list of all legal services providers and individual attorneys that provided services**
10 **under the program during the previous two years.**

11 **“(b) A financial report for each legal service provider that provided services through the**
12 **program during the previous two years, including sources of all revenues.**

13 **“(c) The number of files opened during the previous two years in each of the following**
14 **subject areas:**

15 **“(A) Domestic relations.**

16 **“(B) Landlord and tenant.**

17 **“(C) Employment law.**

18 **“(D) Torts.**

19 **“(E) Debtor and creditor.**

20 **“(d) The number of actions filed during the previous two years in each of the subject**
21 **areas listed in paragraph (c) of this subsection.**

22 **“(e) The number of cases resulting in a judgment during the previous two years in each**
23 **of the subject areas listed in paragraph (c) of this subsection.**

24 **“(f) The number of cases that were filed as an action resulting in a settlement during the**
25 **previous two years in each of the subject areas listed in paragraph (c) of this subsection.**

26 **“(g) The number of cases that were never filed as an action resulting in a settlement**
27 **during the previous two years in each of the subject areas listed in paragraph (c) of this**
28 **subsection.**

29 **“(h) The number of administrative claims handled during the previous two years, broken**
30 **down by administrative agency.**

31 **“(i) The number of administrative claims filed and subsequently withdrawn during the**
32 **previous two years.**

33 **“(2) The information described in subsection (1)(c) to (g) of this section may not include**
34 **a miscellaneous category.**

35 **“SECTION 7. Section 2 of this 2014 Act and the amendments to ORCP 32 M by section 1**
36 **of this 2014 Act apply only to class actions commenced on or after the effective date of this**
37 **2014 Act.”.**

38 /s/ Betsy Close
39 Senator

40 /s/ Jeff Kruse
41 Senator

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