

HB 2274 A STAFF MEASURE SUMMARY

Carrier: Rep. Grayber

House Committee On Emergency Management, General Government, and Veterans

Action Date: 03/23/23

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Conrad, Dexter, Evans, Grayber, Hieb, Lewis, Tran

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 1/26, 3/23

WHAT THE MEASURE DOES:

Authorizes Director of Department of Consumer and Business Services (DCBS) to request, for examination, books, accounts, records, and other information for review, from persons connected with offering, purchasing or selling any security or conducting a securities business 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. 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:

Replaces the measure.

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. Similarly, DCBS licenses individuals who sell securities, or who offer investment advice.

House Bill 2274 A revises DCBS oversight of securities and authorizes the department to impose civil penalties in cases where an injured investor is deemed to be a vulnerable person, defined as someone who is elderly, financially incapable, incapacitated, or a person with a disability who is susceptible to force, threat, duress, coercion, persuasion, or physical or emotional injury due to a physical or mental impairment.