

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 2
Yeas:	Barker, Bonamici, Cameron, Komp, Krieger, Read, Macpherson
Nays:	0
Exc.:	Flores, Whisnant
Prepared By:	Matt Kalmanson, Counsel
Meeting Dates:	5/16

WHAT THE MEASURE DOES: Establishes that wages are not subject to garnishment if: (1) the writ is delivered within two business days before the debtor's normal payday; (2) the debtor's wages are paid by direct deposit to a financial institution or the garnishee uses the Oregon Department of Administrative Services or an independent contractor as payroll administrator; and (3) the garnishee issued instructions to the financial institution or payroll administrator to pay the debtor before the writ was delivered to the garnishee. Increases, over two-year period, amount of disposable earnings that are exempt from execution to conform with federal poverty line.

ISSUES DISCUSSED:

- Law of garnishment in Oregon
- Logistical issues employers face when served a writ of garnishment if they use direct deposit services or a third-party to administer their payroll
- Impact on employers
- Employers' duties to comply with writ of garnishment
- Relationship between wage exemptions and federal poverty line

EFFECT OF COMMITTEE AMENDMENT: Phases in increase of amount of disposable earnings that are exempt from execution over two-year period.

BACKGROUND: SB 303 B attempts to reconcile the garnishment statute with the fact that many employers offer direct deposit options to their employees and/or contract with third-party payroll administrators. In those situations, the employer often must give the administrator instructions regarding the amount of money owed the employee a few days before the wages are transferred to the employee. ORS 18.625, however, states that all wages owed to the employee-debtor are subject to garnishment, making no exceptions for circumstances in which the employee has not been paid, but the employer has issued instructions to the third-party administrator to pay the employee and might not be able to change them. SB 303 B would provide an exception to the garnishment requirements in these circumstances. The amendments also increase the amounts exempt from garnishment to conform with the federal poverty line.