

Enrolled House Bill 2314

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Oregon Collectors Association)

CHAPTER

AN ACT

Relating to collection of debt; creating new provisions; amending ORS 697.105 and 697.115; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 697.105 is amended to read:

697.105. (1) Except as provided in ORS 1.202 and 293.231, if a public body, as defined in ORS 174.109, uses a private collection agency to collect a debt owed to the public body, the public body may add a reasonable fee to the amount of the debt, payable by the debtor, **to compensate the public body, in whole or in part**, for the collection agency fee incurred or to be incurred.

(2) A fee may not be added under subsection (1) of this section unless the public body has provided notice to the debtor:

- (a) Of the existence of the debt;
- (b) That the debt may be assigned to a private collection agency for collection; and
- (c) Of the amount of the fee that may be added to the debt under subsection (1) of this section.

(3) Except as provided by federal law, the public body may not add a fee under this section that exceeds the collection fee of the private collection agency.

SECTION 2. ORS 697.115 is amended to read:

697.115. (1) As used in this section, "commercial debt" means any obligation for payment of money or thing of value arising out of an agreement or contract, express or implied, in which the transaction that is the subject of the agreement or contract is not primarily for personal, family or household purposes.

(2) A person using a private collection agency to collect a commercial debt owed to the person may add a reasonable fee to the amount of the commercial debt, payable by the debtor, **to compensate the person, in whole or in part**, for the collection agency fee incurred or to be incurred.

A person may not add a fee under this section that:

- (a) Exceeds the collection fee of the private collection agency; or
- (b) Was not authorized in the agreement or contract creating the commercial debt.

SECTION 3. The amendments to ORS 697.105 and 697.115 by sections 1 and 2 of this 2007 Act apply to debts assigned to private collection agencies on or after the effective date of this 2007 Act.

SECTION 4. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage.

Passed by House March 19, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate May 8, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State