

B-Engrossed Senate Bill 303

Ordered by the House May 21
Including Senate Amendments dated April 12 and House Amendments
dated May 21

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Provides that wages owing by garnishee to debtor for specific pay period are not garnishable property under certain circumstances in which garnishee uses Oregon Department of Administrative Services or independent contractor as payroll administrator to pay wages.

Increases, **over two-year period**, amount of disposable earnings that are exempt from execution.

A BILL FOR AN ACT

1
2 Relating to garnishment; creating new provisions; and amending ORS 18.385, 18.618, 18.625, 18.685,
3 18.750, 18.838, 18.840, 18.845, 18.855, 18.896 and 90.300.

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

5 **SECTION 1.** ORS 18.618 is amended to read:

6 18.618. (1)(a) Notwithstanding ORS 18.615, the following are not garnishable property:

7 [(a)] (A) Equitable interests, except to the extent allowed under ORS chapter 130.

8 [(b)] (B) Property in the custody of the law.

9 [(c)] (C) Property in the possession of a conservator.

10 [(d)] (D) Property in the possession of a personal representative that constitutes the subject
11 matter of a trust contained in a duly probated will of a decedent.

12 [(e)] (E) If a residential landlord is the garnishee, property in the possession of a residential
13 landlord that is held as a security deposit or prepaid rent under ORS 90.300.

14 [(f)] (F) The right of a seller under a land sale contract, as defined by ORS 18.960, to receive
15 payments that are due more than 45 days after the writ of garnishment is delivered.

16 [(2)] (b) If a garnishee holds any property described in [subsection (1) of this section] **paragraph**
17 **(a) of this subsection**, the garnishee must note in the garnishee response required by ORS 18.680
18 that the garnishee holds the property, but may not deliver the property to the garnishor.

19 **(2)(a) Notwithstanding ORS 18.615, wages owing by a garnishee to a debtor for a specific**
20 **pay period are not garnishable property if:**

21 **(A) The writ is delivered within two business days before the debtor's normal payday for**
22 **the pay period;**

23 **(B) When the writ is delivered to the garnishee, the debtor's wages are paid by direct**
24 **deposit to a financial institution, or the garnishee uses the Oregon Department of Adminis-**
25 **trative Services or an independent contractor as defined in ORS 670.600 as payroll adminis-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **trator for the garnishee's payroll; and**

2 **(C) Before the writ is delivered to the garnishee, the garnishee issued instructions to the**
3 **financial institution or the payroll administrator to pay the debtor for the pay period.**

4 **(b) If a garnishee owes any wages as described in paragraph (a) of this subsection, the**
5 **garnishee must so note in the garnishee response required by ORS 18.680.**

6 (3) Notwithstanding any other provision of law, if a voluntary or involuntary bankruptcy peti-
7 tion has been filed by or on behalf of the debtor after a writ of garnishment could be issued under
8 ORS 18.605, the garnishment of any property of the debtor in the garnishee's possession, control or
9 custody is stayed pursuant to section 362 of the United States Bankruptcy Code (11 U.S.C. 101 to
10 1330).

11 **SECTION 2.** ORS 18.625 is amended to read:

12 18.625. (1) For any property other than wages, a writ of garnishment acts to garnish only
13 garnishable property of the debtor that is in the garnishee's possession, control or custody at the
14 time the writ is delivered, including money that is owed but not yet due.

15 (2) **Except as provided in ORS 18.618 (2),** a writ of garnishment acts to garnish all wages owed
16 by the garnishee to the debtor at the time the writ is delivered. Except as provided in subsection
17 (3) of this section, a writ also acts to garnish all wages earned by the debtor by reason of services
18 to the garnishee during the period commencing with the date the writ is delivered and ending on
19 the earlier of:

20 (a) The expiration of 90 days after the date the writ is delivered; or

21 (b) The date on which the garnishment is released or satisfied in full.

22 (3) If a writ of garnishment is issued on behalf of a county or county agency, the writ acts to
23 garnish all wages earned by the debtor by reason of services to the garnishee until the full amount
24 owed to the county or county agency is paid or until the writ of garnishment is released by the
25 county or county agency or by a court order. A writ of garnishment issued on behalf of a county
26 or county agency shall contain language reasonably designed to notify the garnishee of the pro-
27 visions of this subsection.

28 **SECTION 3.** ORS 18.838 is amended to read:

29 18.838. Instructions to garnishees must be in substantially the following form:

30
31
32 **INSTRUCTIONS TO GARNISHEE**

33
34 Except as specifically provided in these instructions, you must complete and deliver the
35 Garnishee Response within seven calendar days after you receive the writ of garnishment. If the
36 writ does not comply with Oregon law, the writ is not effective to garnish any property of the
37 Debtor, but you still must complete and deliver the Garnishee Response. You must complete and
38 deliver the response even though you cannot determine from the writ whether you hold any property
39 or owe any debt to the Debtor. If the seventh calendar day is a Saturday, Sunday or legal holiday,
40 you must deliver your response on or before the next following day that is not a Saturday, Sunday
41 or legal holiday.

42
43 The writ is not effective, and you need not make a Garnishee Response, if:

- 44
45 • You do not receive the writ within 60 days after the date of issuance shown on the face of

1 the writ.

2

- 3 • You do not receive an original writ of garnishment or a copy of the writ.

4

5 Statutes that may affect your rights and duties under the writ can be found in ORS 18.600 to
6 18.850.

7

8 NOTE: The Garnishor may be the Creditor, the attorney for the Creditor or some other person
9 who is authorized by law to issue the writ of garnishment. See the writ to determine who the
10 Garnishor is.

11

12 STEP 1. FILL OUT THE GARNISHEE RESPONSE.

13

14 All garnishees who are required to deliver a garnishee response must fill in Part I of the
15 Garnishee Response. Garnishees who employ the Debtor must also fill in Part II of the response.
16 You should keep a copy of the response for your records.

17

18 Completing Part I of the Garnishee Response. If you discover before you deliver your response
19 that a bankruptcy petition has been filed by or on behalf of the Debtor, and the bankruptcy petition
20 was filed after a judgment was entered against the Debtor or after the debt otherwise became sub-
21 ject to garnishment (see the date specified in the writ), you must put a check by the appropriate
22 statement in Part I. If a bankruptcy petition has been filed, you should not make any payments to
23 the Garnishor unless the court orders otherwise. You need not complete any other part of the re-
24 sponse, but you still must sign the response and deliver it in the manner described in Step 2 of these
25 instructions.

26 In all other cases you must list in Part I all money and personal property of the Debtor that is
27 in your possession, control or custody at the time of delivery of the writ. You must also list all debts
28 that you owe to the Debtor, whether or not those debts are currently due (e.g., money loaned to you
29 by the Debtor that is to be repaid at a later time).

30 If you are the employer of the Debtor at the time the writ is delivered to you, you must put a
31 check by the appropriate statement in Part I. In addition, you must complete Part II of the response.

32 If you believe that you may hold property of the Debtor or that you owe a debt to the Debtor,
33 but you are not sure, you must put a check by the appropriate statement and provide an explana-
34 tion. When you find out what property you hold that belongs to the Debtor, or you find out whether
35 you owe money to the Debtor and how much, you must prepare and deliver an amended response.
36 You must do this even if you find out that you have no property of the Debtor or that you do not
37 owe anything to the Debtor.

38 If you determine that the writ, on its face, does not comply with Oregon laws governing writs
39 of garnishment, or if you are unable to determine the identity of the Debtor from the information
40 in the writ, then the writ is not effective to garnish any property of the Debtor. You must put a
41 check by the appropriate statement in Part I and provide an explanation. You still must complete
42 the response and deliver the response in the manner described in Step 2 of these instructions.

43 If you have received an order to withhold income that applies to the income of the Debtor and
44 that order has priority over the garnishment, and if compliance with the order will reduce or elim-
45 inate the money or property that you would otherwise deliver under the garnishment, you must put

1 a check by the appropriate statement in Part I. You still must fill out the remainder of the response
2 and deliver the response in the manner described in Step 2 of these instructions. If you employ the
3 Debtor, you still must complete Part II of the response.

4 If you receive notice of a challenge to the garnishment before you send your response, you must
5 complete and deliver your response as otherwise required by these instructions. However, see Step
6 3 of these instructions regarding payment of money or delivery of property after receipt of notice
7 of a challenge to the garnishment.

8 If you owe a debt to the Debtor and the Debtor owes a debt to the holder of an underlying lien
9 on your property, you may be able to offset the amount payable to the underlying lienholder. See
10 ORS 18.620. You must note that you have made the offset in Part I of the response (under
11 “Other”) and specify the amount that was offset.

12
13 Completing Part II of the Garnishee Response (employers only). You must fill in Part II of the
14 response if you employ the Debtor on the date the writ of garnishment is delivered to you, or if you
15 previously employed the Debtor and still owe wages to the Debtor on the date the writ is delivered
16 to you.

17
18 Wages affected. **Except as provided below,** the writ garnishes all wages that you owe to the
19 Debtor for work performed before the date you received the writ, even though the wages will not
20 be paid until a later date. The writ also garnishes all wages that are attributable to services per-
21 formed during the 90-day period following the date you received the writ, even though you would
22 not pay the Debtor for all or part of those services until after the end of the 90-day period. Wages
23 subject to garnishment under the writ include all amounts paid by you as an employer, whether on
24 an hourly, weekly or monthly basis, and include commission payments and bonuses.

25
26 Example 1: Debtor A is employed by you and is paid a monthly salary on the first day of
27 each month. You receive a writ of garnishment on July 17. The writ garnishes all wages
28 that you owe to Debtor A for work performed on or before July 17. If Debtor A was paid
29 on July 1 for services performed in the month of June, the writ garnishes Debtor A’s salary
30 for the period beginning July 1 and ending October 15 (90 days after receipt of the writ).

31
32 **The writ does not garnish any wages you owe to a Debtor for a specific pay period if:**

33 **(a) The writ is delivered to you within two business days before the Debtor’s normal**
34 **payday for the pay period;**

35 **(b) When the writ is delivered to you, the Debtor’s wages are paid by direct deposit to a**
36 **financial institution, or you use an independent contractor as payroll administrator for your**
37 **payroll; and**

38 **(c) Before the writ was delivered to you, you issued instructions to the financial institu-**
39 **tion or the payroll administrator to pay the Debtor for the pay period.**

40 **If any wages are not garnishable by reason of the issuance of instructions to a financial**
41 **institution or a payroll administrator as described above, you must so note in the Garnishee**
42 **Response. Thereafter, you must pay to the Garnishor all wages that are subject to**
43 **garnishment that are attributable to services performed by the Debtor during the 90-day**
44 **period following the date you received the writ.**

45

1 Calculation of wages subject to garnishment. A Wage Exemption Calculation form is attached
2 to the writ of garnishment. You must use this form to calculate the amount of the Debtor's wages
3 that is subject to garnishment. You should read the instructions printed on the Wage Exemption
4 Calculation form to determine the normal wage exemption and the minimum wage exemption for
5 each payment you make under the writ.

6 A Wage Exemption Calculation form must be sent with the first payment you make under the
7 writ. For the 90-day period during which the writ is effective, you must also fill out and return a
8 Wage Exemption Calculation form with a subsequent payment any time the initial calculation
9 changes. Finally, you must fill out and return a Wage Exemption Calculation form with the final
10 payment that you make under the writ.

11
12 Payment of amount subject to garnishment. Payments under the writ must be made at the fol-
13 lowing times, unless the amount owing on the judgment or other debt is fully paid before the final
14 payment is made or the writ is released:

15 (a) You must make a payment to the Garnishor of all wages subject to garnishment at the time
16 you next pay wages to the Debtor. Complete the wage exemption computation, using the Wage Ex-
17 emption Calculation form, to determine the portion of the Debtor's wages that is subject to
18 garnishment. Be sure to adjust the minimum exemption amount for any payment that covers less
19 than a full pay period. You must include a copy of the Wage Exemption Calculation form with this
20 first payment.

21
22 Example 2: Using the facts given in Example 1, when you next make any payment of wages
23 to Debtor A after you receive the writ on July 17, you must complete the Wage Exemption
24 Calculation form and send the form to the Garnishor along with all amounts determined to
25 be subject to garnishment that are attributable to the period covered by the payment. If you
26 pay Debtor A on August 1, the payment will be for all wages attributable to the period be-
27 ginning July 1 and ending July 31.

28
29 (b) Unless the writ of garnishment is satisfied or released, during the 90-day period following the
30 date you received the writ, you must pay to the Garnishor all wages that are determined to be
31 subject to garnishment whenever you issue a paycheck to the Debtor. If the Debtor is paid on a
32 weekly basis, you must make payment under the writ on a weekly basis. If the Debtor is paid on a
33 monthly basis, you must make payment under the writ on a monthly basis. If the amount paid to the
34 Debtor varies from paycheck to paycheck, or changes at any time from the amount being paid at the
35 time the writ was delivered to you, you must perform a new wage exemption computation to deter-
36 mine the amount of wages subject to garnishment under the writ. You must send a copy of the new
37 Wage Exemption Calculation form with your payment to the Garnishor.

38
39 Example 3: Using the facts given above, as you make each subsequent payment of wages to
40 Debtor A you must make a payment of that portion of the Debtor's wages that are subject
41 to garnishment. If you continue to pay Debtor A on the first of each month, payments must
42 be made on September 1 and October 1.

43
44 (c) Upon the expiration of the 90-day period, you must make a final payment to the Garnishor
45 for all wages that were owing to the Debtor for the work performed by the Debtor through the 90th

1 day following your receipt of the writ. This payment may be made at the time of the Debtor's next
2 paycheck. You will need to complete another Wage Exemption Calculation form to determine the
3 amount of the wages subject to garnishment.

4
5 Example 4: Using the facts given above, you must make a final payment for the wages owing
6 to Debtor A for the period beginning October 1 and ending October 15. You may make this
7 payment at the time you issue Debtor A's paycheck on November 1, but you must make the
8 payment at any time you issue a paycheck to Debtor A after October 15. Be sure that in
9 completing the wage exemption computation for the final payment you adjust the minimum
10 exemption amount to take into account the fact that the period covered is only 15 days of
11 the full month (see instructions on Wage Exemption Calculation form).

12
13 Processing fee. You may collect a \$1 processing fee for each week of wages, or fraction of a
14 week of wages, for which a payment is made under the writ. The fee must be collected after you
15 make the last payment under the writ. The fee must be withheld from the wages of the debtor, and
16 is in addition to the amounts withheld for payment to the garnishor under the writ or under any
17 other writ you have received.

18
19 If you receive more than one writ of garnishment. If you receive a second writ of garnishment
20 for the same Debtor from another Garnishor, the first writ will have priority for wages. The priority
21 of the first writ lasts for the 90-day period following delivery of that writ to you, or until the first
22 writ is paid in full, whichever comes first. In your response to the second writ, you must put a check
23 by the appropriate statement in Part II and indicate the date on which the first writ will expire (90
24 days after the date you received the writ). You should make no payments under the second writ
25 until expiration of the first writ. The expiration date of the second writ is 90 days after the date
26 you received the second writ; the expiration date is not affected by any delay in payment attribut-
27 able to the priority of the first writ.

28
29 STEP 2. DELIVER THE GARNISHEE RESPONSE.

30
31 You must deliver your Garnishee Response and copies of the response in the manner provided
32 in this step. The response and copies may be mailed or delivered personally.

33
34 You must complete and deliver the Garnishee Response within seven calendar days after you
35 receive the writ of garnishment. If the seventh calendar day is a Saturday, Sunday or legal holiday,
36 you must deliver your response on or before the next following day that is not a Saturday, Sunday
37 or legal holiday.

38
39 If you are required to hold any property under the writ or make any payment under the writ,
40 either at the time of making your response or later, you must:

41 (a) Send the original of your Garnishee Response to the Garnishor at the address indicated on
42 the writ under Important Addresses.

43 (b) Send a copy of your Garnishee Response to the court administrator at the address indicated
44 on the writ under Important Addresses.

45 (c) Send a copy of your Garnishee Response to the Debtor if an address is indicated on the writ

1 under Important Addresses.

2
3 If you are not required to hold any property under the writ or make any payment under the
4 writ, either at the time of making your response or later, you must:

5 (a) Send the original of your Garnishee Response to the Garnishor at the address indicated on
6 the writ under Important Addresses.

7 (b) Send a copy of your Garnishee Response to the Debtor if an address is indicated on the writ
8 under Important Addresses.

9
10 STEP 3. DELIVER THE FUNDS OR OTHER PROPERTY.

11
12 As long as the writ is in effect, you may be liable to the Creditor if you pay any debt or turn
13 over any property to the Debtor except as specifically allowed by law. If you have any money or
14 property of the Debtor in your possession, control or custody at the time of delivery of the writ, or
15 owe any debt to the Debtor, you must pay the money or hold the property as required by this step.
16 Exceptions to this requirement are listed below.

17
18 IF YOU ARE HOLDING MONEY FOR THE DEBTOR OR OWE A DEBT THAT IS CUR-
19 RENTLY DUE, you must pay the money to the Garnishor with your response. You must send your
20 payment to the Garnishor at the address indicated on the writ under Important Addresses. Make
21 your check payable to the Garnishor.

22
23 IF YOU OWE A DEBT TO THE DEBTOR THAT WILL BECOME DUE WITHIN 45 DAYS
24 AFTER THE DATE YOU RECEIVED THE WRIT, you must send your payment directly to the
25 Garnishor at the address provided in the writ when the debt becomes due. Make your check payable
26 to the Garnishor.

27
28 IF YOU ARE HOLDING PROPERTY THAT BELONGS TO THE DEBTOR, OR OWE A DEBT
29 TO THE DEBTOR THAT WILL NOT BECOME DUE WITHIN 45 DAYS AFTER THE DATE YOU
30 RECEIVED THE WRIT, you must keep the property or debt in your possession, control or custody
31 until you receive written notice from the Sheriff. The Sheriff's notice will tell you what to do with
32 the property or debt. If you have followed all of the instructions in the writ and you receive no
33 notice from the Sheriff within 30 days after the date on which you delivered your Garnishee Re-
34 sponse, you may treat the writ as being of no further force or effect.

35
36 EXCEPTIONS:

37
38 1. Challenge to garnishment or specific directions from court. If you are making any payments
39 under the garnishment and before making a payment you receive notice of a challenge to the
40 garnishment from the court, or receive a specific direction from the court to make payments to the
41 court, you must send or deliver the payment directly to the court administrator. If the money is
42 currently due when you receive the notice, send the payment promptly to the court. If the payment
43 is for a debt that is payable within 45 days after you receive the writ, make the payment to the
44 court promptly when it becomes due. If you make payment by check, make the check payable to the
45 State of Oregon. Because you may be liable for any payment that does not reach the court, it is

1 better not to send cash by mail.

2 A challenge to the garnishment does not affect your duty to follow the instructions you receive
3 from the Sheriff for property that belongs to the Debtor and debts that you owe to the Debtor that
4 do not become due within 45 days.

5
6 2. Previous writ of garnishment. If you receive a second writ of garnishment for the same Debtor
7 from another Garnishor, the first writ will have priority and you need not make payments or deliver
8 property under the second writ to the extent that compliance with the first writ will reduce or
9 eliminate the payment of money or delivery of property that you would otherwise make under the
10 garnishment. You must still deliver a Garnishee Response to the second writ, and must commence
11 payment under the second writ as soon as the first writ is satisfied or expires.

12
13 3. Offset for payment of underlying lien. If you owe a debt to the Debtor and the Debtor owes
14 a debt to the holder of an underlying lien on your property, you may be able to offset the amount
15 payable to the underlying lienholder. See ORS 18.620.

16
17 4. Subsequent events:

18
19 (a) Bankruptcy. If you make your response and then discover that a voluntary or involuntary
20 bankruptcy petition has been filed by or on behalf of the Debtor after the judgment was entered
21 against the Debtor or after the debt otherwise became subject to garnishment (see date in writ), you
22 may not make any further payments or delivery of property under the writ unless the court orders
23 otherwise. If you have not delivered all property that is subject to garnishment under this writ when
24 you discover that a bankruptcy petition has been filed, you must mail the following notice to the
25 Garnishor and to the Debtor.

26
27 (b) Order to withhold income. If you make your response and then receive an order to withhold
28 income that has priority over the writ, you may make payments or deliver property under the writ
29 only after payment of the amounts required under the order to withhold income. If you have not
30 delivered all property that is subject to garnishment under this writ when you receive an order to
31 withhold income that has priority, you must mail the following notice to the Garnishor and to the
32 Debtor.

33 _____
34
35 SUPPLEMENTAL GARNISHEE
36 RESPONSE
37

38 TO: The Garnishor and the Debtor

39
40 RE: Writ of garnishment received _____, 2__ (date), in the case of _____ (Plaintiff)
41 vs. _____ (Defendant), Circuit Court of _____ County, Oregon, Case No. _____.

42
43 The undersigned Garnishee furnished a Garnishee Response to this writ of garnishment on
44 _____, 2__ (date). Since that time (check appropriate statement):
45

1 — I have discovered that a voluntary or involuntary bankruptcy petition has been filed by or
2 on behalf of the Debtor after the judgment was entered against the Debtor or after the debt
3 otherwise became subject to garnishment.

4
5 — I have received an order to withhold income of the Debtor by reason of a support obligation.
6 Under ORS 25.375, the order to withhold income has priority over any other legal process
7 under Oregon law against the same income. The withholding of income pursuant to the or-
8 der to withhold income might reduce or eliminate subsequent payments under the
9 garnishment. (Provide details, including the name of the agency serving the order to with-
10 hold, the date the order was served on you and the amounts to be withheld.)

11
12 Dated _____, 2____

13
14 _____
15 Name of Garnishee

16
17 _____
18 Signature

19
20 _____
21 Address

22
23
24 SPECIAL INSTRUCTIONS FOR BANKS
25 AND OTHER FINANCIAL INSTITUTIONS
26

27 If the Garnishor fails to pay the search fee required by ORS 18.790 and you do not employ the
28 Debtor, you are not required to deliver a Garnishee Response and you may deal with any property
29 of the Debtor as though the garnishment had not been issued.

30
31 If the Debtor owes a debt to you that was due at the time you received the writ of garnishment,
32 you may be able to offset the amount of that debt. See ORS 18.795. You must note that you have
33 made the offset in Part I of the Garnishee Response (under "Other") and specify the amount that
34 was offset.

35
36 Before making a payment under the writ, you may first deduct any processing fee that you are
37 allowed under ORS 18.790.

38
39 You need not deliver any property contained in a safe deposit box unless the Garnishor pays
40 you in advance for the costs that will be incurred in gaining entry to the box. See ORS 18.792.

41
42
43 **SECTION 4.** ORS 18.855 is amended to read:

44 18.855. (1) Notwithstanding ORS 18.607, a notice of garnishment issued by a state agency need
45 not contain the name of a court whose authority is invoked.

1 (2) State agencies shall make such modifications as are necessary in the wage exemption cal-
2 culation form provided by ORS 18.840 if a notice of garnishment is issued for a debt due for a state
3 tax that is subject to the provisions of ORS 18.385 (6).

4 (3) Notwithstanding ORS 18.625, **but subject to ORS 18.618 (2)**, a notice of garnishment issued
5 by a state agency acts to garnish all wages earned by the debtor by reason of services to the
6 garnishee until the full amount of the debt is paid or until the notice of garnishment is released by
7 the state agency or by court order. A notice of garnishment issued by a state agency must contain
8 language reasonably designed to notify the garnishee of the provisions of this subsection.

9 (4) Notwithstanding ORS 18.690, a garnishee who receives a notice of garnishment issued by a
10 state agency need not deliver a copy of the garnishee response to the clerk of the court, but must
11 deliver the original of the response to the state agency.

12 (5) Notwithstanding ORS 18.700, a challenge to a notice of garnishment issued by a state agency
13 must be delivered in person or by first class mail to the state agency within the time specified by
14 ORS 18.700 (2). Within 14 days after receiving the challenge, the state agency must either concede
15 the challenge or give the person making the challenge opportunity for hearing. If the person making
16 the challenge requests a hearing, the agency shall immediately refer the challenge to the Office of
17 Administrative Hearings established under ORS 183.605. The hearing shall be conducted as soon as
18 possible. Notwithstanding ORS 183.315, the hearing shall be conducted as a contested case hearing.
19 An issue that was decided in a previous hearing, or for which the debtor was previously afforded
20 an opportunity for hearing, may not be reconsidered.

21 (6) If a state agency is issuing a notice of garnishment for collection of a state tax, and the state
22 agency has reason to believe that the debtor intends to leave the state or do any other act that
23 would jeopardize collection of the tax, the state agency may issue a special notice of garnishment.
24 Any earnings, as defined in ORS 18.375, garnished under a special notice of garnishment are not
25 subject to a claim of exemption under ORS 18.385. A special notice of garnishment issued under this
26 subsection garnishes only that property of the debtor that is in the garnishee's possession, control
27 or custody at the time the special notice is delivered, including debts not yet due, and all wages
28 owed by the garnishee to the debtor at the time the special notice is delivered. A special notice of
29 garnishment does not act to garnish wages earned by the debtor by reason of services rendered to
30 the garnishee after the delivery of the special notice of garnishment.

31 (7) A special notice of garnishment issued under subsection (6) of this section shall contain a
32 statement indicating that it is a special notice of garnishment under subsection (6) of this section
33 and a statement reflecting the provisions of subsection (6) of this section. Notwithstanding ORS
34 18.854 (1), a wage exemption calculation form shall not be delivered to the garnishee with a special
35 notice of garnishment.

36 **SECTION 5.** ORS 18.685 is amended to read:

37 18.685. A garnishee must note upon a garnishee response the date on which the garnishee re-
38 ceived the writ of garnishment. The garnishee must also note upon the response the following in-
39 formation and deliver the response in the manner provided by ORS 18.690:

40 (1) If the garnishee discovers that a voluntary or involuntary bankruptcy petition has been filed
41 by or on behalf of the debtor and the petition was filed after the date shown on the face of the writ
42 as the date on which the judgment was entered or otherwise first became subject to garnishment.

43 (2) If the garnishee does not employ the debtor and the garnishee does not have any garnishable
44 property of the debtor in the possession, control or custody of the garnishee, the garnishee must so
45 note on the response.

1 (3) If the garnishee employs the debtor, the garnishee must so state on the response and make
2 all other responses required by this section or ORS 18.688. The garnishee must thereafter make
3 payment under the writ in the manner provided by ORS 18.735.

4 (4) If the garnishee has any cash belonging to the debtor, or the garnishee owes any money to
5 the debtor other than wages that is due as of the time the response is made, the garnishee must so
6 note on the response. The garnishee must make payment with the response in the manner provided
7 by ORS 18.730 of the amount subject to the garnishment, or of such amount as will satisfy the
8 garnishment, whichever amount is less.

9 (5) If the garnishee owes any money to the debtor other than wages that is not due as of the
10 time the response is made but that will become due within 45 days after the time the writ is deliv-
11 ered, the garnishee must so note on the response. When the money becomes due, the garnishee must
12 make payment in the manner provided by ORS 18.732 of the amount subject to the garnishment, or
13 of such amount as will satisfy the garnishment, whichever amount is less.

14 (6) Except as provided in ORS 18.618 [(1)(f)] **(1)(a)(F)**, if the garnishee owes any money to the
15 debtor other than wages that is not due as of the time the response is made and the money will not
16 become due within 45 days after the time the writ is delivered, the garnishee must so note on the
17 response. The garnishee must thereafter comply with ORS 18.750 to 18.760.

18 (7) If the garnishee has any garnishable property of the debtor in the possession, control or
19 custody of the garnishee that is not cash or owed money, the garnishee must so note on the re-
20 sponse. The garnishee must thereafter comply with ORS 18.750 to 18.760.

21 (8) If the garnishee can determine from the writ that the garnishee may owe money to or hold
22 garnishable property of the debtor, but is not sure what or how much, the garnishee must so state
23 on the response and must state that the garnishee will file an amended response when the garnishee
24 determines what or how much money or property the garnishee owes or holds.

25 (9) If the garnishee determines that the writ of garnishment does not comply on its face with
26 ORS 18.600 to 18.850, or if the garnishee is unable to determine the identity of the debtor from the
27 information contained in the writ, the writ of garnishment is ineffective to garnish the property of
28 the debtor. The garnishee must so note on the response and provide an explanation.

29 (10) If, before delivering the garnishee response, the garnishee receives an order to withhold
30 income issued under ORS chapter 25 that applies to the income of the debtor, the garnishee must
31 so note on the response. The garnishee must provide details of the order to withhold income, in-
32 cluding the name of the agency serving the order, the date the order was served on the garnishee
33 and the amount to be withheld. If the garnishee employs the debtor, the garnishee must make the
34 responses required under ORS 18.688.

35 (11) If the garnishee receives notice of a challenge to the garnishment before delivering the re-
36 sponse, the garnishee must so note on the response. The garnishee must thereafter comply with ORS
37 18.708.

38 **SECTION 6.** ORS 18.750 is amended to read:

39 18.750. (1) A garnishee shall not deliver the property described in this section to the garnishor.
40 If the garnishor seeks to apply the property described in this section against the debt of the debtor,
41 the property must be sold by the sheriff in the manner specified in ORS 18.750 to 18.760.

42 (2) The provisions of ORS 18.750 to 18.760 apply to:

43 (a) Except as provided in ORS 18.618 [(1)(f)] **(1)(a)(F)**, any money owed by a garnishee to a
44 debtor the payment of which is not due at the time the writ of garnishment is delivered to the
45 garnishee and the payment of which does not become due within 45 days after the date of delivery;

1 (b) Property of the debtor that the garnishee holds under an unexpired bailment or lease;

2 (c) Property of the debtor in which the garnishee has a security interest that was granted to the
3 garnishee by the debtor before the delivery of the writ; and

4 (d) Any other garnishable property that is not payable in money.

5 (3) The property described in subsection (2)(a) to (c) of this section must be delivered by the
6 garnishee to the purchaser in the manner provided by ORS 18.758 (3) if the interest of the debtor
7 in the property is sold by the sheriff under ORS 18.758. Subject to the provisions of ORS 18.755, the
8 garnishee must deliver to the sheriff any other garnishable property that is not payable in money
9 upon receiving notice from the sheriff under ORS 18.755 (4).

10 **SECTION 7.** ORS 90.300 is amended to read:

11 90.300. (1) As used in this section, "security deposit" includes any last month's rent deposit.

12 (2) Except as otherwise provided in this section, a landlord may require the payment of a secu-
13 rity deposit. A security deposit or prepaid rent shall be held by the landlord for the tenant who is
14 a party to the rental agreement. The claim of a tenant to the security deposit or prepaid rent shall
15 be prior to the claim of any creditor of the landlord, including a trustee in bankruptcy. The holder
16 of the landlord's interest in the premises at the time of termination of the tenancy is responsible to
17 the tenant for any security deposit or prepaid rent and is bound by this section.

18 (3)(a) A landlord may not change the rental agreement to require the payment of a new or in-
19 creased security deposit during the first year after the tenancy has begun, except that an additional
20 deposit may be required if the landlord and tenant agree to modify the terms and conditions of the
21 rental agreement to permit a pet or for other cause and the additional deposit relates to that mod-
22 ification. This paragraph does not prevent the collection of a security deposit that was provided for
23 under an initial rental agreement but remained unpaid at the time the tenancy began.

24 (b) If a landlord requires a new or increased security deposit after the first year of the tenancy,
25 the landlord shall allow the tenant at least three months to pay that deposit.

26 (4) The landlord may claim all or part of the security deposit only if the security deposit was
27 made for any or all of the purposes provided by subsection (5) of this section.

28 (5) The landlord may claim from the security deposit only the amount reasonably necessary:

29 (a) To remedy the tenant's defaults in the performance of the rental agreement including, but
30 not limited to, unpaid rent; and

31 (b) To repair damages to the premises caused by the tenant, not including ordinary wear and
32 tear.

33 (6) A landlord may not require that a security deposit or prepaid rent be required or forfeited
34 to the landlord upon the failure of the tenant to maintain a tenancy for a minimum number of
35 months in a month-to-month tenancy.

36 (7) Any last month's rent deposit must be applied to the rent due for the last month of the
37 tenancy:

38 (a) Upon either the landlord or tenant giving to the other a notice of termination, pursuant to
39 this chapter, other than a notice of termination under ORS 90.394;

40 (b) Upon agreement by the landlord and tenant to terminate the tenancy; or

41 (c) Upon termination pursuant to the provisions of a written rental agreement for a term
42 tenancy.

43 (8) Any portion of a last month's rent deposit not applied as provided under subsection (7) of this
44 section shall be accounted for and refunded as provided under subsections (10) to (12) of this section.
45 Unless the tenant and landlord agree otherwise, a last month's rent deposit shall not be applied to

1 rent due for any period other than the last month of the tenancy. A last month's rent deposit shall
2 not operate to limit the amount of rent charged unless a written rental agreement provides other-
3 wise.

4 (9) Upon termination of the tenancy, a landlord shall account for and refund to the tenant the
5 unused balance of any prepaid rent not previously refunded to the tenant as required by ORS 90.380
6 and 105.120 (4)(b) or any other provision of this chapter, in the same manner as required for security
7 deposits by this section. The landlord may claim from the remaining prepaid rent only the amount
8 reasonably necessary to pay the tenant's unpaid rent.

9 (10) In order to claim all or part of any prepaid rent or security deposit, within 31 days after
10 the termination of the tenancy and delivery of possession the landlord shall give to the tenant a
11 written accounting that states specifically the basis or bases of the claim. The landlord shall give
12 a separate accounting for security deposits and for prepaid rent.

13 (11) The security deposit or prepaid rent or portion thereof not claimed in the manner provided
14 by subsections (9) and (10) of this section shall be returned to the tenant not later than 31 days after
15 the termination of the tenancy and delivery of possession to the landlord.

16 (12) The landlord shall give the written accounting as required by subsection (10) of this section
17 or shall return the security deposit or prepaid rent as required by subsection (11) of this section by
18 personal delivery or by first class mail.

19 (13) If a security deposit or prepaid rent secures a tenancy for a space for a tenant owned and
20 occupied manufactured dwelling or floating home, whether or not in a facility, and the dwelling or
21 home is abandoned as described in ORS 90.425 (2) or 90.675 (2), the 31-day period described in sub-
22 sections (10) and (11) of this section commences on the earliest of:

23 (a) Waiver of the abandoned property process under ORS 90.425 (25) or 90.675 (22);

24 (b) Removal of the manufactured dwelling or floating home from the rented space;

25 (c) Destruction or other disposition of the manufactured dwelling or floating home under ORS
26 90.425 (10)(b) or 90.675 (10)(b); or

27 (d) Sale of the manufactured dwelling or floating home pursuant to ORS 90.425 (10)(a) or 90.675
28 (10)(a).

29 (14) If the landlord fails to comply with subsection (11) of this section or if the landlord in bad
30 faith fails to return all or any portion of any prepaid rent or security deposit due to the tenant
31 under this chapter or the rental agreement, the tenant may recover the money due in an amount
32 equal to twice the amount:

33 (a) Withheld without a written accounting under subsection (10) of this section; or

34 (b) Withheld in bad faith.

35 (15)(a) A security deposit or prepaid rent in the possession of the landlord is not garnishable
36 property, as provided in ORS 18.618.

37 (b) If a security deposit or prepaid rent is delivered to a garnishor in violation of ORS 18.618
38 [(2)] (1)(b), the landlord that delivered the security deposit or prepaid rent to the garnishor shall
39 allow the tenant at least 30 days after a copy of the garnishee response required by ORS 18.680 is
40 delivered to the tenant under ORS 18.690 to restore the security deposit or prepaid rent. If the
41 tenant fails to restore a security deposit or prepaid rent under the provisions of this paragraph be-
42 fore the tenancy terminates, and the landlord retains no security deposit or prepaid rent from the
43 tenant after the garnishment, the landlord is not required to refund or account for the security de-
44 posit or prepaid rent under subsection (9) of this section.

45 (16) This section does not preclude the landlord or tenant from recovering other damages under

1 this chapter.

2 **SECTION 8. The amendments to ORS 18.618, 18.625, 18.685, 18.750, 18.838, 18.855 and 90.300**
3 **by sections 1 to 7 of this 2007 Act apply only to writs of garnishment and notices of**
4 **garnishment delivered on or after the effective date of this 2007 Act.**

5 **SECTION 9.** ORS 18.385 is amended to read:

6 18.385. (1) Except as provided in this section, 75 percent of the disposable earnings of an indi-
7 vidual are exempt from execution.

8 (2) The disposable earnings of an individual are exempt from execution to the extent that pay-
9 ment under a garnishment would result in net disposable earnings for an individual of less than the
10 following amounts:

11 (a) [~~\$170~~] **\$183** for any period of one week or less;

12 (b) [~~\$340~~] **\$366** for any two-week period;

13 (c) [~~\$368~~] **\$394** for any half-month period;

14 (d) [~~\$731~~] **\$786** for any one-month period; and

15 (e) For any other period longer than one week, [~~\$170~~] **\$183** multiplied by that fraction produced
16 by dividing the number of days for which the earnings are paid by seven. The amount calculated
17 under this paragraph must be rounded to the nearest dollar.

18 (3) If an individual is paid for a period shorter than one week, the exemption calculated under
19 subsection (2) of this section may not exceed [~~\$170~~] **\$183** for any one-week period.

20 (4) An employer shall deduct from the amount of disposable earnings determined to be nonex-
21 empt under subsections (1) to (3) of this section any amounts withheld from the individual's earnings
22 for the same period of time under an order issued pursuant to ORS 25.378, 419B.408 or 419C.600 or
23 ORS chapter 110. The employer shall make payment under a garnishment only of those amounts
24 remaining after the deduction is made.

25 (5) Subsections (1) to (4) of this section do not apply to:

26 (a) Any order of a court of bankruptcy.

27 (b) Any debt due for federal tax.

28 (6) Subsections (2) to (4) of this section do not apply to any debt due for state tax. Subsection
29 (1) of this section does not apply to a debt due for state tax if a state agency issues a special notice
30 of garnishment under ORS 18.855 (6).

31 (7) A court may not make, execute or enforce any order or process in violation of this section.

32 (8) Any waiver by an individual of the provisions of this section is void.

33 (9) An employer may not discharge any individual because the individual has had earnings
34 garnished.

35 **SECTION 10.** ORS 18.840 is amended to read:

36 18.840. A wage exemption calculation form must be delivered to the garnishee with each writ
37 of garnishment. A wage exemption calculation form must be in substantially the following form:

38
39
40 WAGE EXEMPTION CALCULATION

41 (to be filled out by employers only)

- 42
43 1. Debtor's gross wages
44 for period covered by this
45 payment..... \$_____

- 1 2. Total amount required to be
- 2 withheld by law for amount in Line 1
- 3 (Federal and state
- 4 withholding, Social
- 5 Security, etc.)..... \$_____
- 6 3. Debtor’s disposable wages
- 7 (Subtract Line 2
- 8 from Line 1)..... \$_____
- 9 4. Normal exemption (Enter 75
- 10 percent of Line 3) \$_____
- 11 5. Minimum exemption (check one)
- 12 — [\$170] **\$183** (payment of wages weekly)
- 13 — [\$340] **\$366** (payment of wages every
- 14 two weeks)
- 15 — [\$368] **\$394** (payment of wages half-monthly)
- 16 — [\$731] **\$786** (payment of wages monthly)
- 17 — \$_____ (Any other period longer
- 18 than one week, including partial
- 19 payments for less than full pay period)
- 20 (Multiply [\$170] **\$183** by number of weeks or
- 21 fraction of a week)
- 22 6. Wages exempt from garnishment
- 23 (Line 4 or 5,
- 24 whichever is greater) \$_____
- 25 7. Nonexempt wages (Subtract
- 26 Line 6 from Line 3) \$_____
- 27 8. Amount withheld for this pay period
- 28 pursuant to a support order under
- 29 support withholding process or under
- 30 another writ with priority \$_____
- 31 9. Wages subject to garnishment
- 32 (Subtract Line 8
- 33 from Line 7)..... \$_____

INSTRUCTIONS FOR WAGE
EXEMPTION CALCULATION FORM

If you employ the Debtor named in the writ of garnishment, you must fill out and return this Wage Exemption Calculation form. A Wage Exemption Calculation form must be sent with the first payment you make under the writ. For the 90-day period during which the writ is effective, you must also fill out and return a Wage Exemption Calculation form with a subsequent payment any time the initial calculation changes. Finally, you must fill out and return a Wage Exemption Calculation form with the final payment that you make under the writ.

Normal wage exemption. The wage exemption calculation is based on the amount of the payment

1 you make under the writ of garnishment. The normal wage exemption in Line 4 is 75 percent of the
2 employee's disposable wages in Line 3.

3
4 Minimum wage exemption. The minimum exemption in Line 5 is also based on the amount of the
5 payment you are making. The minimum exemption is designed to ensure that an employee receives
6 at least a certain minimum amount in any one-week period. If the payment is for a one-week period
7 (without regard to whether the period is a calendar week or any other seven-day period), the mini-
8 mum exemption is ~~[\$170]~~ **\$183**. The minimum exemption is ~~[\$340]~~ **\$366** if the payment is for a two-
9 week period. If the payment is for one-half of one month (i.e., the Debtor is paid twice each month),
10 the minimum exemption is ~~[\$368]~~ **\$394**. The minimum exemption for a monthly payment is ~~[\$731]~~
11 **\$786**.

12 If the payment you are making is based on some period of time other than one week, two weeks,
13 half month or month, and the payment is for more than one week, you must calculate the minimum
14 exemption by multiplying ~~[\$170]~~ **\$183** by the number of weeks covered by the paycheck, including
15 any fraction of a week. You should round the amount calculated to the nearest dollar.

16
17 Example 1: You pay Debtor A every 10 days. Each 10-day period is equal to 1.429 weeks (10
18 divided by 7). The minimum exemption is ~~[\$243]~~ **\$262** (~~[\$170]~~ **\$183** × 1.429 rounded to the
19 nearest dollar).

20
21 You must use this same calculation for computing the minimum exemption when making a pay-
22 ment for less than a full pay period (e.g., for the final payment at the end of the 90-day period cov-
23 ered by the writ).

24
25 Example 2: You pay Debtor A on a monthly basis. You are required to make a final payment
26 under a writ of garnishment for the wages owing to Debtor A for the period beginning Oc-
27 tober 1 and ending October 15. This period is equal to 2.143 weeks (15 divided by 7). The
28 minimum exemption is ~~[\$364]~~ **\$392** (~~[\$170]~~ **\$183** × 2.143 rounded to the nearest dollar).

29
30 The amount of time actually worked by the Debtor during the period covered by the paycheck
31 does not affect the calculation of the minimum exemption.

32
33 Example 3: You pay Debtor A on a weekly basis. Debtor A works two days per week. The
34 minimum exemption is ~~[\$170]~~ **\$183** for each weekly payment you make for Debtor A.

35
36 If the payment you are making is based on a period of time less than one week, the minimum
37 wage exemption may not exceed ~~[\$170]~~ **\$183** for any one-week period.

38
39 If you receive more than one writ of garnishment. If you receive more than one writ of
40 garnishment for the same debtor, the writs have priority based on the date on which you receive
41 them. If the full amount of wages subject to garnishment for a given pay period is paid on the first
42 writ, you should not make any payment on subsequently received writs until the first writ expires.
43 In some cases, it may be necessary to make payments on two or more writs for the same pay period.

44
45 Example 4. You have received two writs of garnishment for Debtor A. You pay Debtor A

1 on a monthly basis. The first writ expires on October 16. The second writ will not expire
2 until November 15. You will need to prepare two wage exemption calculation forms for
3 Debtor A's October wages and make payments under both writs. The wage exemption cal-
4 culation form for the first writ will be for the wages attributable to October 1 to October
5 15 as described in Example 2. The wage exemption calculation form for the second writ will
6 be for all wages for the month of October, but the amounts withheld under the first writ
7 must be subtracted on Line 8 to determine the October wages subject to garnishment under
8 the second writ.

9

10

11 **SECTION 11.** ORS 18.845 is amended to read:

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NOTICE OF EXEMPT PROPERTY
AND INSTRUCTIONS FOR
CHALLENGE TO GARNISHMENT

Property belonging to you may have been taken or held in order to satisfy a debt. The debt may be reflected in a judgment or in a warrant or order issued by a state agency. Important legal papers are enclosed.

YOU MAY BE ABLE TO GET YOUR PROPERTY BACK, SO READ THIS NOTICE CAREFULLY.

State and federal law specify that certain property may not be taken. Some of the property that you may be able to get back is listed below.

(1) Wages or a salary as described in ORS 18.375 and 18.385. Whichever of the following amounts is greater:

(a) 75 percent of your take-home wages; or

(b) [~~\$170~~] **\$183** per workweek.

(2) Social Security benefits.

(3) Supplemental Security Income (SSI).

(4) Public assistance (welfare).

(5) Unemployment benefits.

(6) Disability benefits (other than SSI benefits).

(7) Workers' compensation benefits.

(8) Exempt wages, Social Security benefits (other than SSI), welfare, unemployment benefits and disability benefits when placed in a checking or savings account (up to \$7,500).

(9) Spousal support, child support or separate maintenance to the extent reasonably necessary for your support or the support of any of your dependents.

(10) A homestead (house, mobile home or houseboat) occupied by you, or occupied by your

1 spouse, parent or child. The value of the homestead is exempt up to the following amounts:

2 (a) For a mobile home or houseboat located on land that is not owned by you, \$20,000. If you
3 jointly own the mobile home or houseboat with another person who is also liable on the debt,
4 \$27,000.

5 (b) For a mobile home or houseboat located on land that is owned by you, \$23,000. If you jointly
6 own the mobile home or houseboat with another person who is also liable on the debt, \$30,000.

7 (c) For any other homestead, \$30,000. If you jointly own the homestead with another person who
8 is also liable on the debt, \$39,600.

9 (11) Proceeds from the sale of a homestead described in item 10, up to the limits described in
10 item 10, if you hold the proceeds for less than one year and intend to use those proceeds to procure
11 another homestead.

12 (12) Household goods, furniture, radios, a television set and utensils with a combined value not
13 to exceed \$3,000.

14 *(13) An automobile, truck, trailer or other vehicle with a value not to exceed \$2,150.

15 *(14) Tools, implements, apparatus, team, harness or library that are necessary to carry on your
16 occupation, with a combined value not to exceed \$3,000.

17 *(15) Books, pictures and musical instruments with a combined value not to exceed \$600.

18 *(16) Wearing apparel, jewelry and other personal items with a combined value not to exceed
19 \$1,800.

20 (17) Domestic animals and poultry for family use with a combined value not to exceed \$1,000
21 and their food for 60 days.

22 (18) Provisions and fuel for your family for 60 days.

23 (19) One rifle or shotgun and one pistol. The combined value of all firearms claimed as exempt
24 may not exceed \$1,000.

25 (20) Public or private pensions.

26 (21) Veterans' benefits and loans.

27 (22) Medical assistance benefits.

28 (23) Health insurance proceeds and disability proceeds of life insurance policies.

29 (24) Cash surrender value of life insurance policies not payable to your estate.

30 (25) Federal annuities.

31 (26) Other annuities to \$250 per month (excess over \$250 per month is subject to the same ex-
32 emption as wages).

33 (27) Professionally prescribed health aids for you or any of your dependents.

34 *(28) Elderly rental assistance allowed pursuant to ORS 310.635.

35 (29) Your right to receive, or property traceable to:

36 (a) An award under any crime victim reparation law.

37 (b) A payment or payments, not exceeding a total of \$10,000, on account of personal bodily in-
38 jury suffered by you or an individual of whom you are a dependent.

39 (c) A payment in compensation of loss of future earnings of you or an individual of whom you
40 are or were a dependent, to the extent reasonably necessary for your support and the support of
41 any of your dependents.

42 (30) Amounts paid to you as an earned income tax credit under federal tax law.

43 *(31) Interest in personal property to the value of \$400, but this cannot be used to increase the
44 amount of any other exemption.

45 (32) Equitable interests in property.

1 (33) Security deposits or prepaid rent held by a residential landlord under ORS 90.300.

2 (34) If the amount shown as owing on the Debt Calculation form exceeds the amount you actu-
3 ally owe to the creditor, the difference between the amount owed and the amount shown on the Debt
4 Calculation form.

5
6 Note: If two or more people in your household owe the claim or judgment, each of them may
7 claim the exemptions marked by an asterisk (*).

8
9
10 **SPECIAL RULES APPLY FOR DEBTS THAT ARE OWED FOR CHILD SUPPORT AND**
11 **SPOUSAL SUPPORT.** Some property that may not otherwise be taken for payment against the debt
12 may be taken to pay for overdue support. For instance, Social Security benefits, workers' compen-
13 sation benefits, unemployment benefits, veterans' benefits and pensions are normally exempt, but
14 only 75 percent of a lump sum payment of these benefits is exempt if the debt is owed for a support
15 obligation.

16
17 **YOU MUST ACT PROMPTLY IF YOU WANT TO GET YOUR MONEY OR PROPERTY BACK.**
18 You may seek to reclaim your exempt property by doing the following:

19 (1) Fill out the Challenge to Garnishment form that you received with this notice.

20 (2) Mail or deliver the Challenge to Garnishment form to the court administrator at the address
21 shown on the writ of garnishment, and mail or deliver a copy of the form to the Garnishor at the
22 address shown on the writ of garnishment. If you wish to claim wages or salary as exempt, you must
23 mail or deliver the form within 120 days after you receive this notice. If you wish to claim that any
24 other money or property is exempt, or claim that the property is not subject to garnishment, you
25 must mail or deliver the form within 30 days after you receive this notice. You have the burden of
26 showing that your challenge is made on time, so you should keep records showing when the chal-
27 lenge was mailed or delivered.

28 (3) The law only requires that the Garnishor hold the garnished money or property for 10 days
29 before applying it to the Creditor's use. You may be able to keep the property from being used by
30 the Creditor by promptly following (1) and (2) above.

31
32 You should be prepared to explain your exemption in court. If you have any questions about the
33 garnishment or the debt, you should see an attorney.

34 **YOU MAY USE THE CHALLENGE TO GARNISHMENT FORM ONLY FOR THE FOLLOW-**
35 **ING PURPOSES:**

36 (1) To claim such exemptions from garnishment as are permitted by law.

37 (2) To assert that property is not garnishable property under ORS 18.618.

38 (3) To assert that the amount specified in the writ of garnishment as being subject to
39 garnishment is greater than the total amount owed.

40
41 **YOU MAY NOT USE THE CHALLENGE TO GARNISHMENT FORM TO CHALLENGE THE**
42 **VALIDITY OF THE DEBT.**

43 **IF YOU FILE A CHALLENGE TO A GARNISHMENT IN BAD FAITH, YOU MAY BE SUB-**
44 **JECT TO PENALTIES IMPOSED BY THE COURT THAT COULD INCLUDE A FINE.** Penalties
45 that you could be subject to are listed in ORS 18.715.

1 When you file a Challenge to Garnishment form, the Garnishee may be required to make all
2 payments under the garnishment to the court, and the Garnishor may be required to pay to the
3 court all amounts received by the Garnishor that are subject to the challenge to the garnishment.
4 The Garnishee and Garnishor are subject to penalties if they do not. For a complete explanation of
5 their responsibilities, see ORS 18.705 and 18.708.

6 _____
7
8 **SECTION 12.** ORS 18.896 is amended to read:

9 18.896. (1) The challenge to execution form described in this section does not expand or restrict
10 the law relating to exempt property. A determination as to whether property is exempt from at-
11 tachment or execution must be made by reference to other law. The form provided in this section
12 may be modified to provide more information or to update the notice based on subsequent changes
13 in exemption laws.

14 (2) A challenge to execution form must be in substantially the following form:
15 _____

16
17 _____ COURT
18 COUNTY OF _____

19
20 _____) CHALLENGE TO
21 Plaintiff,) EXECUTION
22)
23 vs.) Case No. _____
24)
25 _____)
26 Defendant.)

27
28 THIS FORM MAY BE USED BY THE DEBTOR ONLY TO CLAIM SUCH EXEMPTIONS
29 FROM EXECUTION AS ARE PERMITTED BY LAW.

30
31 THIS FORM MAY BE USED BY PERSONS OTHER THAN THE DEBTOR ONLY TO CLAIM
32 AN INTEREST IN THE PROPERTY THAT IS TO BE SOLD ON EXECUTION.

33
34 THIS FORM MAY NOT BE USED TO CHALLENGE THE VALIDITY OF THE DEBT.

35
36 I/We claim that the following described property or money is exempt from execution:
37 _____
38 _____
39 _____

40
41
42 I/We believe this property is exempt from execution because (the Notice of Exempt Property at
43 the end of this form describes most types of property that you can claim as exempt from execution):
44 _____
45 _____

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45

I am a person other than the Debtor and I have the following interest in the property:

Name _____	Name _____
Signature _____	Signature _____
Address _____	Address _____
_____	_____
Telephone	Telephone
Number _____	Number _____
(Required)	(Required)

YOU MUST ACT PROMPTLY IF YOU WANT TO GET YOUR MONEY OR PROPERTY BACK.

You may seek to reclaim your exempt property by doing the following:

- (1) Fill out the Challenge to Execution form that you received with this notice.
- (2) Mail or deliver the Challenge to Execution form to the court administrator at the address shown on the writ of execution.
- (3) Mail or deliver a copy of the Challenge to Execution form to the judgment creditor at the address shown on the writ of execution.

You should be prepared to explain your exemption in court. If you have any questions about the execution or the debt, you should see an attorney.

YOU MAY USE THE CHALLENGE TO EXECUTION FORM ONLY TO CLAIM SUCH EXEMPTIONS FROM EXECUTION AS ARE PERMITTED BY LAW.

YOU MAY NOT USE THE CHALLENGE TO EXECUTION FORM TO CHALLENGE THE VALIDITY OF THE DEBT.

IF YOU CLAIM AN EXEMPTION IN BAD FAITH, YOU MAY BE SUBJECT TO PENALTIES IMPOSED BY THE COURT THAT COULD INCLUDE A FINE. Penalties that you could be subject to are listed in ORS 18.899.

NOTICE OF EXEMPT PROPERTY

Property belonging to you may have been taken or held in order to satisfy a debt. The debt may be reflected in a judgment or in a warrant or order issued by a state agency. Important legal papers are enclosed.

YOU MAY BE ABLE TO GET YOUR PROPERTY BACK, SO READ THIS NOTICE CAREFULLY.

State and federal law specify that certain property may not be taken. Some of the property that

1 you may be able to get back is listed below.

2 (1) Wages or a salary as described in ORS 18.375 and 18.385. Whichever of the following
3 amounts is greater:

4 (a) 75 percent of your take-home wages; or

5 (b) [~~\$170~~] **\$183** per workweek.

6 (2) Social Security benefits.

7 (3) Supplemental Security Income (SSI).

8 (4) Public assistance (welfare).

9 (5) Unemployment benefits.

10 (6) Disability benefits (other than SSI benefits).

11 (7) Workers' compensation benefits.

12 (8) Exempt wages, Social Security benefits (other than SSI), welfare, unemployment benefits and
13 disability benefits when placed in a checking or savings account (up to \$7,500).

14 (9) Spousal support, child support or separate maintenance to the extent reasonably necessary
15 for your support or the support of any of your dependents.

16 (10) A homestead (house, mobile home or houseboat) occupied by you, or occupied by your
17 spouse, parent or child. The value of the homestead is exempt up to the following amounts:

18 (a) For a mobile home or houseboat located on land that is not owned by you, \$20,000. If you
19 jointly own the mobile home or houseboat with another person who is also liable on the debt,
20 \$27,000.

21 (b) For a mobile home or houseboat located on land that is owned by you, \$23,000. If you jointly
22 own the mobile home or houseboat with another person who is also liable on the debt, \$30,000.

23 (c) For any other homestead, \$30,000. If you jointly own the homestead with another person who
24 is also liable on the debt, \$39,600.

25 (11) Proceeds from the sale of a homestead described in item 10, up to the limits described in
26 item 10, if you hold the proceeds for less than one year and intend to use those proceeds to procure
27 another homestead.

28 (12) Household goods, furniture, radios, a television set and utensils with a combined value not
29 to exceed \$3,000.

30 *(13) An automobile, truck, trailer or other vehicle with a value not to exceed \$2,150.

31 *(14) Tools, implements, apparatus, team, harness or library that are necessary to carry on your
32 occupation, with a combined value not to exceed \$3,000.

33 *(15) Books, pictures and musical instruments with a combined value not to exceed \$600.

34 *(16) Wearing apparel, jewelry and other personal items with a combined value not to exceed
35 \$1,800.

36 (17) Domestic animals and poultry for family use with a combined value not to exceed \$1,000
37 and their food for 60 days.

38 (18) Provisions and fuel for your family for 60 days.

39 (19) One rifle or shotgun and one pistol. The combined value of all firearms claimed as exempt
40 may not exceed \$1,000.

41 (20) Public or private pensions.

42 (21) Veterans' benefits and loans.

43 (22) Medical assistance benefits.

44 (23) Health insurance proceeds and disability proceeds of life insurance policies.

45 (24) Cash surrender value of life insurance policies not payable to your estate.

1 (25) Federal annuities.

2 (26) Other annuities to \$250 per month (excess over \$250 per month is subject to the same ex-
3 emption as wages).

4 (27) Professionally prescribed health aids for you or any of your dependents.

5 *(28) Elderly rental assistance allowed pursuant to ORS 310.635.

6 *(29) Your right to receive, or property traceable to:

7 *(a) An award under any crime victim reparation law.

8 *(b) A payment or payments, not exceeding a total of \$10,000, on account of personal bodily in-
9 jury suffered by you or an individual of whom you are a dependent.

10 *(c) A payment in compensation of loss of future earnings of you or an individual of whom you
11 are or were a dependent, to the extent reasonably necessary for your support and the support of
12 any of your dependents.

13 (30) Amounts paid to you as an earned income tax credit under federal tax law.

14 (31) Interest in personal property to the value of \$400, but this cannot be used to increase the
15 amount of any other exemption.

16 (32) Equitable interests in property.

17 Note: If two or more people in your household owe the claim or judgment, each of them may
18 claim the exemptions marked by an asterisk (*).

20
21 SPECIAL RULES APPLY FOR DEBTS THAT ARE OWED FOR CHILD SUPPORT AND
22 SPOUSAL SUPPORT. Some property that may not otherwise be taken for payment against the debt
23 may be taken to pay for overdue support. For instance, Social Security benefits, workers' compen-
24 sation benefits, unemployment benefits, veterans' benefits and pensions are normally exempt, but
25 only 75 percent of a lump sum payment of these benefits is exempt if the debt is owed for a support
26 obligation.

28
29 **SECTION 13.** The amendments to ORS 18.385, 18.840, 18.845 and 18.896 by sections 9 to
30 12 of this 2007 Act become operative on the effective date of this 2007 Act, and apply only to
31 writs of garnishment and notices of garnishment delivered on or after January 1, 2008.

32 **SECTION 14.** ORS 18.385, as amended by section 9 of this 2007 Act, is amended to read:

33 18.385. (1) Except as provided in this section, 75 percent of the disposable earnings of an indi-
34 vidual are exempt from execution.

35 (2) The disposable earnings of an individual are exempt from execution to the extent that pay-
36 ment under a garnishment would result in net disposable earnings for an individual of less than the
37 following amounts:

38 (a) [~~\$183~~] **\$196** for any period of one week or less;

39 (b) [~~\$366~~] **\$392** for any two-week period;

40 (c) [~~\$394~~] **\$420** for any half-month period;

41 (d) [~~\$786~~] **\$840** for any one-month period; and

42 (e) For any other period longer than one week, [~~\$183~~] **\$196** multiplied by that fraction produced
43 by dividing the number of days for which the earnings are paid by seven. The amount calculated
44 under this paragraph must be rounded to the nearest dollar.

45 (3) If an individual is paid for a period shorter than one week, the exemption calculated under

1 subsection (2) of this section may not exceed [~~\$183~~] **\$196** for any one-week period.

2 (4) An employer shall deduct from the amount of disposable earnings determined to be nonex-
3 empt under subsections (1) to (3) of this section any amounts withheld from the individual's earnings
4 for the same period of time under an order issued pursuant to ORS 25.378, 419B.408 or 419C.600 or
5 ORS chapter 110. The employer shall make payment under a garnishment only of those amounts
6 remaining after the deduction is made.

7 (5) Subsections (1) to (4) of this section do not apply to:

8 (a) Any order of a court of bankruptcy.

9 (b) Any debt due for federal tax.

10 (6) Subsections (2) to (4) of this section do not apply to any debt due for state tax. Subsection
11 (1) of this section does not apply to a debt due for state tax if a state agency issues a special notice
12 of garnishment under ORS 18.855 (6).

13 (7) A court may not make, execute or enforce any order or process in violation of this section.

14 (8) Any waiver by an individual of the provisions of this section is void.

15 (9) An employer may not discharge any individual because the individual has had earnings
16 garnished.

17 **SECTION 15.** ORS 18.840, as amended by section 10 of this 2007 Act, is amended to read:

18 18.840. A wage exemption calculation form must be delivered to the garnishee with each writ
19 of garnishment. A wage exemption calculation form must be in substantially the following form:
20

21
22 **WAGE EXEMPTION CALCULATION**

23 (to be filled out by employers only)
24

- 25 1. Debtor's gross wages
26 for period covered by this
27 payment..... \$_____
- 28 2. Total amount required to be
29 withheld by law for amount in Line 1
30 (Federal and state
31 withholding, Social
32 Security, etc.)..... \$_____
- 33 3. Debtor's disposable wages
34 (Subtract Line 2
35 from Line 1)..... \$_____
- 36 4. Normal exemption (Enter 75
37 percent of Line 3) \$_____
- 38 5. Minimum exemption (check one)
39 — [~~\$183~~] **\$196** (payment of wages weekly)
40 — [~~\$366~~] **\$392** (payment of wages every
41 two weeks)
42 — [~~\$394~~] **\$420** (payment of wages half-monthly)
43 — [~~\$786~~] **\$840** (payment of wages monthly)
44 — \$_____ (Any other period longer
45 than one week, including partial

- 1 payments for less than full pay period)
- 2 (Multiply [*\$183*] **\$196** by number of weeks or
- 3 fraction of a week)
- 4 6. Wages exempt from garnishment
- 5 (Line 4 or 5,
- 6 whichever is greater) \$ _____
- 7 7. Nonexempt wages (Subtract
- 8 Line 6 from Line 3) \$ _____
- 9 8. Amount withheld for this pay period
- 10 pursuant to a support order under
- 11 support withholding process or under
- 12 another writ with priority \$ _____
- 13 9. Wages subject to garnishment
- 14 (Subtract Line 8
- 15 from Line 7)..... \$ _____

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INSTRUCTIONS FOR WAGE
EXEMPTION CALCULATION FORM

20 If you employ the Debtor named in the writ of garnishment, you must fill out and return this
21 Wage Exemption Calculation form. A Wage Exemption Calculation form must be sent with the first
22 payment you make under the writ. For the 90-day period during which the writ is effective, you must
23 also fill out and return a Wage Exemption Calculation form with a subsequent payment any time the
24 initial calculation changes. Finally, you must fill out and return a Wage Exemption Calculation form
25 with the final payment that you make under the writ.

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Normal wage exemption. The wage exemption calculation is based on the amount of the payment
you make under the writ of garnishment. The normal wage exemption in Line 4 is 75 percent of the
employee's disposable wages in Line 3.

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Minimum wage exemption. The minimum exemption in Line 5 is also based on the amount of the
payment you are making. The minimum exemption is designed to ensure that an employee receives
at least a certain minimum amount in any one-week period. If the payment is for a one-week period
(without regard to whether the period is a calendar week or any other seven-day period), the mini-
mum exemption is [*\$183*] **\$196**. The minimum exemption is [*\$366*] **\$392** if the payment is for a two-
week period. If the payment is for one-half of one month (i.e., the Debtor is paid twice each month),
the minimum exemption is [*\$394*] **\$420**. The minimum exemption for a monthly payment is [*\$786*]
\$840.

39 If the payment you are making is based on some period of time other than one week, two weeks,
40 half month or month, and the payment is for more than one week, you must calculate the minimum
41 exemption by multiplying [*\$183*] **\$196** by the number of weeks covered by the paycheck, including
42 any fraction of a week. You should round the amount calculated to the nearest dollar.

43
44 Example 1: You pay Debtor A every 10 days. Each 10-day period is equal to 1.429 weeks (10
45 divided by 7). The minimum exemption is [*\$262*] **\$280** (*[\$183] \$196* × 1.429 rounded to the

1 nearest dollar).

2

3 You must use this same calculation for computing the minimum exemption when making a pay-
4 ment for less than a full pay period (e.g., for the final payment at the end of the 90-day period cov-
5 ered by the writ).

6

7 Example 2: You pay Debtor A on a monthly basis. You are required to make a final payment
8 under a writ of garnishment for the wages owing to Debtor A for the period beginning Oc-
9 tober 1 and ending October 15. This period is equal to 2.143 weeks (15 divided by 7). The
10 minimum exemption is ~~[\$392]~~ **\$420** (~~[\$183]~~ **\$196** × 2.143 rounded to the nearest dollar).

11

12 The amount of time actually worked by the Debtor during the period covered by the paycheck
13 does not affect the calculation of the minimum exemption.

14

15 Example 3: You pay Debtor A on a weekly basis. Debtor A works two days per week. The
16 minimum exemption is ~~[\$183]~~ **\$196** for each weekly payment you make for Debtor A.

17

18 If the payment you are making is based on a period of time less than one week, the minimum
19 wage exemption may not exceed ~~[\$183]~~ **\$196** for any one-week period.

20

21 If you receive more than one writ of garnishment. If you receive more than one writ of
22 garnishment for the same debtor, the writs have priority based on the date on which you receive
23 them. If the full amount of wages subject to garnishment for a given pay period is paid on the first
24 writ, you should not make any payment on subsequently received writs until the first writ expires.
25 In some cases, it may be necessary to make payments on two or more writs for the same pay period.

26

27 Example 4. You have received two writs of garnishment for Debtor A. You pay Debtor A
28 on a monthly basis. The first writ expires on October 16. The second writ will not expire
29 until November 15. You will need to prepare two wage exemption calculation forms for
30 Debtor A's October wages and make payments under both writs. The wage exemption cal-
31 culation form for the first writ will be for the wages attributable to October 1 to October
32 15 as described in Example 2. The wage exemption calculation form for the second writ will
33 be for all wages for the month of October, but the amounts withheld under the first writ
34 must be subtracted on Line 8 to determine the October wages subject to garnishment under
35 the second writ.

36

37

38 **SECTION 16.** ORS 18.845, as amended by section 11 of this 2007 Act, is amended to read:

39 18.845. A notice of exemptions form must be in substantially the form set forth in this section.
40 Nothing in the notice form described in this section is intended to expand or restrict the law re-
41 lating to exempt property. A determination as to whether property is exempt from execution, at-
42 tachment and garnishment must be made by reference to other law. The form provided in this
43 section may be modified to provide more information or to update the notice based on subsequent
44 changes in exemption laws.

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NOTICE OF EXEMPT PROPERTY
AND INSTRUCTIONS FOR
CHALLENGE TO GARNISHMENT

Property belonging to you may have been taken or held in order to satisfy a debt. The debt may be reflected in a judgment or in a warrant or order issued by a state agency. Important legal papers are enclosed.

YOU MAY BE ABLE TO GET YOUR PROPERTY BACK, SO READ THIS NOTICE CAREFULLY.

State and federal law specify that certain property may not be taken. Some of the property that you may be able to get back is listed below.

(1) Wages or a salary as described in ORS 18.375 and 18.385. Whichever of the following amounts is greater:

- (a) 75 percent of your take-home wages; or
 - (b) [~~\$183~~] **\$196** per workweek.
- (2) Social Security benefits.
- (3) Supplemental Security Income (SSI).
- (4) Public assistance (welfare).
- (5) Unemployment benefits.
- (6) Disability benefits (other than SSI benefits).
- (7) Workers' compensation benefits.

(8) Exempt wages, Social Security benefits (other than SSI), welfare, unemployment benefits and disability benefits when placed in a checking or savings account (up to \$7,500).

(9) Spousal support, child support or separate maintenance to the extent reasonably necessary for your support or the support of any of your dependents.

(10) A homestead (house, mobile home or houseboat) occupied by you, or occupied by your spouse, parent or child. The value of the homestead is exempt up to the following amounts:

(a) For a mobile home or houseboat located on land that is not owned by you, \$20,000. If you jointly own the mobile home or houseboat with another person who is also liable on the debt, \$27,000.

(b) For a mobile home or houseboat located on land that is owned by you, \$23,000. If you jointly own the mobile home or houseboat with another person who is also liable on the debt, \$30,000.

(c) For any other homestead, \$30,000. If you jointly own the homestead with another person who is also liable on the debt, \$39,600.

(11) Proceeds from the sale of a homestead described in item 10, up to the limits described in item 10, if you hold the proceeds for less than one year and intend to use those proceeds to procure another homestead.

(12) Household goods, furniture, radios, a television set and utensils with a combined value not to exceed \$3,000.

*(13) An automobile, truck, trailer or other vehicle with a value not to exceed \$2,150.

*(14) Tools, implements, apparatus, team, harness or library that are necessary to carry on your occupation, with a combined value not to exceed \$3,000.

*(15) Books, pictures and musical instruments with a combined value not to exceed \$600.

*(16) Wearing apparel, jewelry and other personal items with a combined value not to exceed

1 \$1,800.

2 (17) Domestic animals and poultry for family use with a combined value not to exceed \$1,000
3 and their food for 60 days.

4 (18) Provisions and fuel for your family for 60 days.

5 (19) One rifle or shotgun and one pistol. The combined value of all firearms claimed as exempt
6 may not exceed \$1,000.

7 (20) Public or private pensions.

8 (21) Veterans' benefits and loans.

9 (22) Medical assistance benefits.

10 (23) Health insurance proceeds and disability proceeds of life insurance policies.

11 (24) Cash surrender value of life insurance policies not payable to your estate.

12 (25) Federal annuities.

13 (26) Other annuities to \$250 per month (excess over \$250 per month is subject to the same ex-
14 emption as wages).

15 (27) Professionally prescribed health aids for you or any of your dependents.

16 *(28) Elderly rental assistance allowed pursuant to ORS 310.635.

17 (29) Your right to receive, or property traceable to:

18 (a) An award under any crime victim reparation law.

19 (b) A payment or payments, not exceeding a total of \$10,000, on account of personal bodily in-
20 jury suffered by you or an individual of whom you are a dependent.

21 (c) A payment in compensation of loss of future earnings of you or an individual of whom you
22 are or were a dependent, to the extent reasonably necessary for your support and the support of
23 any of your dependents.

24 (30) Amounts paid to you as an earned income tax credit under federal tax law.

25 *(31) Interest in personal property to the value of \$400, but this cannot be used to increase the
26 amount of any other exemption.

27 (32) Equitable interests in property.

28 (33) Security deposits or prepaid rent held by a residential landlord under ORS 90.300.

29 (34) If the amount shown as owing on the Debt Calculation form exceeds the amount you actu-
30 ally owe to the creditor, the difference between the amount owed and the amount shown on the Debt
31 Calculation form.

32

33 Note: If two or more people in your household owe the claim or judgment, each of them may
34 claim the exemptions marked by an asterisk (*).

35

36

37 SPECIAL RULES APPLY FOR DEBTS THAT ARE OWED FOR CHILD SUPPORT AND
38 SPOUSAL SUPPORT. Some property that may not otherwise be taken for payment against the debt
39 may be taken to pay for overdue support. For instance, Social Security benefits, workers' compen-
40 sation benefits, unemployment benefits, veterans' benefits and pensions are normally exempt, but
41 only 75 percent of a lump sum payment of these benefits is exempt if the debt is owed for a support
42 obligation.

43

44 YOU MUST ACT PROMPTLY IF YOU WANT TO GET YOUR MONEY OR PROPERTY BACK.

45 You may seek to reclaim your exempt property by doing the following:

1 (1) Fill out the Challenge to Garnishment form that you received with this notice.

2 (2) Mail or deliver the Challenge to Garnishment form to the court administrator at the address
3 shown on the writ of garnishment, and mail or deliver a copy of the form to the Garnishor at the
4 address shown on the writ of garnishment. If you wish to claim wages or salary as exempt, you must
5 mail or deliver the form within 120 days after you receive this notice. If you wish to claim that any
6 other money or property is exempt, or claim that the property is not subject to garnishment, you
7 must mail or deliver the form within 30 days after you receive this notice. You have the burden of
8 showing that your challenge is made on time, so you should keep records showing when the chal-
9 lenge was mailed or delivered.

10 (3) The law only requires that the Garnishor hold the garnished money or property for 10 days
11 before applying it to the Creditor’s use. You may be able to keep the property from being used by
12 the Creditor by promptly following (1) and (2) above.

13
14 You should be prepared to explain your exemption in court. If you have any questions about the
15 garnishment or the debt, you should see an attorney.

16 YOU MAY USE THE CHALLENGE TO GARNISHMENT FORM ONLY FOR THE FOLLOW-
17 ING PURPOSES:

18 (1) To claim such exemptions from garnishment as are permitted by law.

19 (2) To assert that property is not garnishable property under ORS 18.618.

20 (3) To assert that the amount specified in the writ of garnishment as being subject to
21 garnishment is greater than the total amount owed.

22
23 YOU MAY NOT USE THE CHALLENGE TO GARNISHMENT FORM TO CHALLENGE THE
24 VALIDITY OF THE DEBT.

25 IF YOU FILE A CHALLENGE TO A GARNISHMENT IN BAD FAITH, YOU MAY BE SUB-
26 JECT TO PENALTIES IMPOSED BY THE COURT THAT COULD INCLUDE A FINE. Penalties
27 that you could be subject to are listed in ORS 18.715.

28 When you file a Challenge to Garnishment form, the Garnishee may be required to make all
29 payments under the garnishment to the court, and the Garnishor may be required to pay to the
30 court all amounts received by the Garnishor that are subject to the challenge to the garnishment.
31 The Garnishee and Garnishor are subject to penalties if they do not. For a complete explanation of
32 their responsibilities, see ORS 18.705 and 18.708.

33
34
35 **SECTION 17.** ORS 18.896, as amended by section 12 of this 2007 Act, is amended to read:

36 18.896. (1) The challenge to execution form described in this section does not expand or restrict
37 the law relating to exempt property. A determination as to whether property is exempt from at-
38 tachment or execution must be made by reference to other law. The form provided in this section
39 may be modified to provide more information or to update the notice based on subsequent changes
40 in exemption laws.

41 (2) A challenge to execution form must be in substantially the following form:

42
43
44 _____ COURT
45 COUNTY OF _____

1 _____) CHALLENGE TO
 2 Plaintiff,) EXECUTION
 3)
 4 vs.) Case No. _____
 5)
 6 _____)
 7 Defendant.)

8

9 THIS FORM MAY BE USED BY THE DEBTOR ONLY TO CLAIM SUCH EXEMPTIONS
10 FROM EXECUTION AS ARE PERMITTED BY LAW.

11

12 THIS FORM MAY BE USED BY PERSONS OTHER THAN THE DEBTOR ONLY TO CLAIM
13 AN INTEREST IN THE PROPERTY THAT IS TO BE SOLD ON EXECUTION.

14

15 THIS FORM MAY NOT BE USED TO CHALLENGE THE VALIDITY OF THE DEBT.

16

17 I/We claim that the following described property or money is exempt from execution:

18

19

20

21

22

23 I/We believe this property is exempt from execution because (the Notice of Exempt Property at
24 the end of this form describes most types of property that you can claim as exempt from execution):

25

26

27

28

29

30 I am a person other than the Debtor and I have the following interest in the property:

31

32

33

34

35

36 Name _____ Name _____

37 Signature _____ Signature _____

38 Address _____ Address _____

39 _____

40 Telephone Telephone

41 Number _____ Number _____

42 (Required) (Required)

43

44 YOU MUST ACT PROMPTLY IF YOU WANT TO GET YOUR MONEY OR PROPERTY BACK.

45 You may seek to reclaim your exempt property by doing the following:

1 (1) Fill out the Challenge to Execution form that you received with this notice.

2 (2) Mail or deliver the Challenge to Execution form to the court administrator at the address
3 shown on the writ of execution.

4 (3) Mail or deliver a copy of the Challenge to Execution form to the judgment creditor at the
5 address shown on the writ of execution.

6 You should be prepared to explain your exemption in court. If you have any questions about the
7 execution or the debt, you should see an attorney.

8
9 YOU MAY USE THE CHALLENGE TO EXECUTION FORM ONLY TO CLAIM SUCH EX-
10 EMPTIONS FROM EXECUTION AS ARE PERMITTED BY LAW.

11
12 YOU MAY NOT USE THE CHALLENGE TO EXECUTION FORM TO CHALLENGE THE
13 VALIDITY OF THE DEBT.

14
15 IF YOU CLAIM AN EXEMPTION IN BAD FAITH, YOU MAY BE SUBJECT TO PENALTIES
16 IMPOSED BY THE COURT THAT COULD INCLUDE A FINE. Penalties that you could be subject
17 to are listed in ORS 18.899.

18
19 NOTICE OF EXEMPT PROPERTY

20
21 Property belonging to you may have been taken or held in order to satisfy a debt. The debt may
22 be reflected in a judgment or in a warrant or order issued by a state agency. Important legal papers
23 are enclosed.

24 YOU MAY BE ABLE TO GET YOUR PROPERTY BACK, SO READ THIS NOTICE CARE-
25 FULLY.

26 State and federal law specify that certain property may not be taken. Some of the property that
27 you may be able to get back is listed below.

28 (1) Wages or a salary as described in ORS 18.375 and 18.385. Whichever of the following
29 amounts is greater:

30 (a) 75 percent of your take-home wages; or

31 (b) [~~\$183~~] **\$196** per workweek.

32 (2) Social Security benefits.

33 (3) Supplemental Security Income (SSI).

34 (4) Public assistance (welfare).

35 (5) Unemployment benefits.

36 (6) Disability benefits (other than SSI benefits).

37 (7) Workers' compensation benefits.

38 (8) Exempt wages, Social Security benefits (other than SSI), welfare, unemployment benefits and
39 disability benefits when placed in a checking or savings account (up to \$7,500).

40 (9) Spousal support, child support or separate maintenance to the extent reasonably necessary
41 for your support or the support of any of your dependents.

42 (10) A homestead (house, mobile home or houseboat) occupied by you, or occupied by your
43 spouse, parent or child. The value of the homestead is exempt up to the following amounts:

44 (a) For a mobile home or houseboat located on land that is not owned by you, \$20,000. If you
45 jointly own the mobile home or houseboat with another person who is also liable on the debt,

1 \$27,000.

2 (b) For a mobile home or houseboat located on land that is owned by you, \$23,000. If you jointly
3 own the mobile home or houseboat with another person who is also liable on the debt, \$30,000.

4 (c) For any other homestead, \$30,000. If you jointly own the homestead with another person who
5 is also liable on the debt, \$39,600.

6 (11) Proceeds from the sale of a homestead described in item 10, up to the limits described in
7 item 10, if you hold the proceeds for less than one year and intend to use those proceeds to procure
8 another homestead.

9 (12) Household goods, furniture, radios, a television set and utensils with a combined value not
10 to exceed \$3,000.

11 *(13) An automobile, truck, trailer or other vehicle with a value not to exceed \$2,150.

12 *(14) Tools, implements, apparatus, team, harness or library that are necessary to carry on your
13 occupation, with a combined value not to exceed \$3,000.

14 *(15) Books, pictures and musical instruments with a combined value not to exceed \$600.

15 *(16) Wearing apparel, jewelry and other personal items with a combined value not to exceed
16 \$1,800.

17 (17) Domestic animals and poultry for family use with a combined value not to exceed \$1,000
18 and their food for 60 days.

19 (18) Provisions and fuel for your family for 60 days.

20 (19) One rifle or shotgun and one pistol. The combined value of all firearms claimed as exempt
21 may not exceed \$1,000.

22 (20) Public or private pensions.

23 (21) Veterans' benefits and loans.

24 (22) Medical assistance benefits.

25 (23) Health insurance proceeds and disability proceeds of life insurance policies.

26 (24) Cash surrender value of life insurance policies not payable to your estate.

27 (25) Federal annuities.

28 (26) Other annuities to \$250 per month (excess over \$250 per month is subject to the same ex-
29 emption as wages).

30 (27) Professionally prescribed health aids for you or any of your dependents.

31 *(28) Elderly rental assistance allowed pursuant to ORS 310.635.

32 *(29) Your right to receive, or property traceable to:

33 *(a) An award under any crime victim reparation law.

34 *(b) A payment or payments, not exceeding a total of \$10,000, on account of personal bodily in-
35 jury suffered by you or an individual of whom you are a dependent.

36 *(c) A payment in compensation of loss of future earnings of you or an individual of whom you
37 are or were a dependent, to the extent reasonably necessary for your support and the support of
38 any of your dependents.

39 (30) Amounts paid to you as an earned income tax credit under federal tax law.

40 (31) Interest in personal property to the value of \$400, but this cannot be used to increase the
41 amount of any other exemption.

42 (32) Equitable interests in property.

43 Note: If two or more people in your household owe the claim or judgment, each of them may
44 claim the exemptions marked by an asterisk (*).

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SPECIAL RULES APPLY FOR DEBTS THAT ARE OWED FOR CHILD SUPPORT AND SPOUSAL SUPPORT. Some property that may not otherwise be taken for payment against the debt may be taken to pay for overdue support. For instance, Social Security benefits, workers' compensation benefits, unemployment benefits, veterans' benefits and pensions are normally exempt, but only 75 percent of a lump sum payment of these benefits is exempt if the debt is owed for a support obligation.

SECTION 18. The amendments to ORS 18.385, 18.840, 18.845 and 18.896 by sections 14 to 17 of this 2007 Act become operative on January 1, 2009, and apply only to writs of garnishment and notices of garnishment delivered on or after January 1, 2009.
