

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means
Vote:	5 - 3 - 0
Yeas:	Edwards C., Gelser, Nolan, Read, Roblan
Nays:	Berger, Garrard, Jenson
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	6/19, 6/25

WHAT THE MEASURE DOES: Establishes the attempt or threat to collect a debt that the collector knows or should know does not exist as an unlawful collection practice. Adds communicating false or misleading statements to list of unlawful collection practices. Designates violation of federal debt collection laws a violation under state law. Allows award of attorney fees to prevailing debtor. Allows award of attorney fees to prevailing debt collector if action by debtor is brought in bad faith or to harass. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Overview of current debt collection statutes
- History of debt collector regulation in Oregon
- Examples of consumer experiences with debt collectors
- Current enforcement mechanisms

EFFECT OF COMMITTEE AMENDMENT: Deletes provision prohibiting debt collectors from making false or misleading statements in communicating with a debtor or debtor's family when collecting or attempting to collect. Deletes provision prohibiting taking action or threatening to take action against, making a representation to, communicating with, collecting, or attempting to collect a debt from or cause an expense to a debtor that is prohibited under the federal Fair Debt Collection Practices Act.

BACKGROUND: Under ORS 646.639, debt collectors cannot attempt to or threaten to enforce a right or remedy if they know or have reason to know that the right or remedy does not exist. Current law, however, does not specifically include as an unlawful collection practice an action to collect a debt that a collector knows, or has reason to know, does not exist. Senate Bill 386-B adds that provision.

Senate Bill 386-B also makes several other changes to the law governing debt collection practices, including revision of the provisions relating to the award of attorney fees, costs and expenses, and making a violation of the federal law a violation of state law.