

**2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office**

MEASURE NUMBER: SB 328 **STATUS:** A Engrossed Minority Report
SUBJECT: Allows Department of Consumer and Business Services to suspend, revoke or refuse to renew registration of debt collector.
GOVERNMENT UNIT AFFECTED: Department of Justice and Department of Consumer and Business Services
PREPARED BY: Tim Walker
REVIEWED BY: Doug Wilson and Susan Jordan
DATE: February 23, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Department of Consumer and Business Services		
Personal Services - Other Funds	\$ 297,820	\$ 397,093
Services and Supplies – Other Funds	\$ 27,669	\$ 40,457
	\$ <u>325,489</u>	\$ <u>437,550</u>

	<u>2009-2011</u>	<u>2011-2013</u>
REVENUES:		
Registration and Renewals – Other Funds	\$ 262,200	\$ 349,600

POSITIONS / FTE:		
2 Compliance Spec 2 (SR25)/1 Fin. Enforcement Officer (SR32)	3/2.30	3/3.00

EFFECTIVE DATE: January 1, 2010

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: This bill would allow the Department of Consumer and Business Services (DCBS) to suspend, revoke, or refuse to renew a registration of a debt collector who violates the Unfair Debt Collections Practices Act. Currently, DCBS regulates the business relationship between the collection agency and the owner of the debt.

This bill broadens the enforcement authority of DCBS to the regulation of the relationship between a collection agency and the debtor. DCBS, in conjunction with Department of Justice, estimates approximately 750 consumer inquiries or complaints per year. 40 of these complaints may result in enforcement action taken against the collection agency including issuance of Cease and Desist Orders, fines, penalties, or revocation of their Oregon registration. Currently, DCBS can recover the costs of the investigation from the party being investigated, under certain circumstances.

DCBS estimates that it would take two Compliance Specialist 2 (SR 25) positions and a Financial Enforcement Officer (SR 32) to handle the additional workload. DCBS would also propose raising the

current renewal fee from \$120 to \$350 to pay for the additional positions. The combination of the fee increase and the program's ending balance would cover the costs of the additional positions.

There is no fiscal impact on the Department of Justice.