

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Barnhart, Berger, Freeman, Garrett, Holvey, Wingard, Hunt, Olson
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Committee Staff
Meeting Dates:	6/10

WHAT THE MEASURE DOES: Requires financial institution to perform garnishment account review when it receives writ of garnishment for purpose of determining whether certain protected payments have been deposited in debtor's account during prior 2-month period. Requires financial institution to ensure that debtor has access to protected amounts in account and to give notice of results of review to account holder. Provides that garnishment account review requirement does not apply if Notice of Right to Garnish Federal Benefits from U.S. Government or state child support enforcement agency is attached to or included in the writ of garnishment. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Change in Federal rules
- Financial institutions preference for one set of requirements with which to comply

EFFECT OF COMMITTEE AMENDMENT: Corrects drafting error in using term "garnishee" instead of "debtor."

BACKGROUND: Through legislation passed in 2009 (Senate Bill 731), Oregon statute protects up to one months' worth of electronically-deposited state and federal benefits from garnishment, including Social Security, veterans' benefits, unemployment, workers' compensation, Temporary Assistance for Needy Families (TANF), state and federal retirement funds, and federal black lung benefits. On May 1, 2011, new federal regulations became effective, increasing the amount protected to two months' worth of electronically-deposited benefits, but only applicable to Social Security, veterans' benefits, federal retirement, and railroad retirement benefits.

Senate Bill 926-C extends the same two-month protection to the other state and federal benefits already protected by Oregon law, namely unemployment payments, workers' compensation payments, TANF, state retirement funds, and federal black lung benefits. The bill also requires the financial institution to send notice to the debtor of the garnishment account review.