

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 4 - 0
Yeas:	Doherty, Keny-Guyer, Lively, Vega Pederson, Holvey
Nays:	Johnson, Richardson, Smith, Thatcher
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	3/28, 4/16

WHAT THE MEASURE DOES: Allows resident to claim bankruptcy exemptions specified in federal Bankruptcy Code.

ISSUES DISCUSSED:

- Relative flexibility of exemptions under state versus federal law
- Exemptions available in Washington and California
- Inability to change exemptions once elected

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Existing statute prohibits the use of federal exemptions for property in a bankruptcy filing by an Oregon resident of at least two years. The federal Bankruptcy Code, in 11 U.S.C. § 522, allows different exemptions from those specified in ORS chapter 18. Federal law allows use of the federal exemptions by anyone, unless the individual is a resident of a state that has specifically prohibited their use.

House Bill 3174 repeals Oregon’s prohibition on the use of federal bankruptcy exemptions by state residents.