

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	7 - 0 - 2
<b>Yeas:</b>	Barnhart, Berger, Dembrow, Hicks, Holvey, Kennemer, Garrett
<b>Nays:</b>	0
<b>Exc.:</b>	Hoyle, Jenson
<b>Prepared By:</b>	Erin Seiler, Administrator
<b>Meeting Dates:</b>	5/10

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**WHAT THE MEASURE DOES:** Allows Oregon resident filing for bankruptcy to claim either exemptions established by federal law or exemptions established by state law. Specifies that Oregon resident filing for bankruptcy can use federal exemptions for purposes of bankruptcy petition, but not exemptions under state law. Specifies that Oregon resident filing for bankruptcy can use state exemptions for purposes of bankruptcy petition, but not exemptions under federal law

**ISSUES DISCUSSED:**

- Clarify application to only bankruptcy petitions
- Reason for bill in House Committee on Rules
- Affirm that federal and state exemptions cannot be mixed and matched in bankruptcy petition
- Impact that nature of individuals assets has when filing bankruptcy petitions
- Homestead exemption and preventing loss of home for people who are in bankruptcy

**EFFECT OF COMMITTEE AMENDMENT:** Specifies that Oregon resident filing for bankruptcy can use federal exemptions for purposes of bankruptcy petition, but not exemptions under state law. Specifies that Oregon resident filing for bankruptcy can use state exemptions for purposes of bankruptcy petition, but not exemptions under federal law. Does not apply to executions.

**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 3520-A permits a debtor to utilize the state exemptions or the federal exemptions, but prohibits a debtor from utilizing or claiming both federal and state exemptions in a bankruptcy proceeding.