

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Judiciary

REVENUE: No revenue impact**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO:****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Channa Newell, Counsel**Meeting Dates:** 3/26

WHAT THE MEASURE DOES: Provides concurrent jurisdiction to Attorney General and Department of Consumer and Business Services over unlawful collection practices. Specifies attorney who serves, files, or conveys legal documents in accordance with rules of civil procedure or who communicates with debtor at client's request, is not a collection agency. Removes exemption for attorney-at-law rendering performance of attorney duties. Modifies provisions for registration by out of state collection agency. Increases amount of collector's letter of credit from \$10,000 to \$15,000. Declares emergency; effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: Proposed (-5) amendments remove concurrent jurisdiction between Attorney General and Department of Consumer and Business Services over violations of unlawful collection practices.

Proposed (-3) revised definition of attorney for purposes of exemption from requirement to register as debt collector.

Proposed (-4) amendments restore required bond amount to \$10,000 and civil penalty to \$1,000.

BACKGROUND: The Attorney General is authorized under ORS 646.632 to bring suit against a person who is engaged or is about to engage in an unlawful practice, including unlawful debt collection practices. The Department of Consumer and Business Services oversees the licensing and regulation of collection agencies in Oregon. Collection agencies are required to be registered and carry of a\$10,000 surety bond or letter of credit. ORS 646.639 details prohibited debt collection practices.

Senate Bill 274 allows both the Attorney General and the Department of Consumer and Business Services to exercise jurisdiction over violations of the unlawful collections practices. Additionally, it modifies when an attorney is considered a collection agency and so must register. It provides an exemption to the registration requirement for out-of-state collection agencies if the agencies are licensed in another state, there is a reciprocal exemptions, and the out-of-state collection agency agrees to service and investigation for violations of prohibited collection practices.