

**STAFF MEASURE SUMMARY****Senate Committee On Judiciary****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 04/20/15**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.  
(Printed A-Engrossed.)**Meeting Dates:** 03/26, 04/20**Vote:**

Yeas: 4 - Burdick, Gelser, Kruse, Prozanski

Nays: 1 - Thatcher

**Prepared By:** Channa Newell, Counsel**WHAT THE MEASURE DOES:**

Modifies provisions for registration by out-of-state collection agencies. Increases amount of collector's letter of credit from \$10,000 to \$15,000. Specifies attorney authorized to practice law who renders legal services in the court of representing client is not a collection agency. Declares emergency; effective on passage.

**ISSUES DISCUSSED:**

- Regulation of debt collectors rests with Department of Consumer and Business Services
- Enforcement authority and investigations of unlawful collection practices with Department of Justice
- Need for update to statutes
- Need for clear guidance on out-of-state debt collectors

**EFFECT OF COMMITTEE AMENDMENT:**

Removes concurrent jurisdiction between Attorney General and Department of Consumer and Business Services over violations of unlawful collection practices. Revises definition of attorney for purposes of exemption from requirement to register as debt collector.

**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 a \$10,000 surety bond or letter of credit. ORS 646.639 details prohibited debt collection practices.

Senate Bill 274 A 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 are reciprocal exemptions for Oregon collection agencies, and the out-of-state collection agency agrees to service and investigation for violations of prohibited collection practices.