



Testimony on HB 4131
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Credit unions are not-for-profit financial cooperatives, organized to meet the needs of their members. They are democratically owned and controlled institutions, based on the “people helping people” principle. With more than 1.8 million members, Oregon credit unions strive to preserve a legislative climate that recognizes their unique structure and mission.

Background

Credit unions have worked with the Department of Justice under its child support data match program since the program was adopted in the late 1990s. Under that program, the Oregon Department of Justice and financial institutions doing business in this state enter into agreements to develop and operate a data match system using automated data exchanges to the maximum extent feasible. Under these agreements, financial institutions provide, for each calendar quarter, the name, address, Social Security number or other taxpayer identification number and other identifying information for each obligor who maintains an account at the institution; and owes past due support, as identified by the department by name and Social Security number or other taxpayer identification number. The law also allows the department to pay a reasonable fee to a financial institution for conducting the data match provided for in this section. The fee may not exceed the actual costs incurred by the financial institution.

HB4131

HB4131 would be set-up as a similar program and requires financial institutions to develop data match agreements with Department of Revenue to identify assets held at financial institutions by delinquent debtors.

Oregon credit unions appreciate the desire to create a similar program to assist the Department of Revenue in collecting delinquent taxes. Due to privacy restrictions in both state and federal law, financial institutions could not participate in a data match program unless the legislature passes enabling legislation that makes participation mandatory.

We are grateful for the opportunity to work with Representative Taylor to ensure that the bill provides appropriate protections for financial institutions, and enables the Department of Revenue to establish a new avenue to pursue collection of unpaid taxes. In the past couple weeks, we provided several suggested changes that we believe will be incorporated in the final amendment. We look forward to reviewing the final amendments and supporting the bill through the process.