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TESTIMONY ON SENATE BILL 254 For the House Judiciary Committee March 8, 2017

Submitted by:

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This testimony is submitted in support of Senate Bill 254.

How This Bill Changes Current Law

Senate Bill 254 adds provisions to Oregon law and amends ORS 18.999 and 192.586. It requires Oregon financial institutions to establish data matches with the Oregon Department of Revenue to identify assets held at the financial institutions by delinquent debtors. If any such debtor is also determined to be a delinquent child support obligor, the bill prohibits the Department of Revenue from issuing a notice of garnishment for 30 days. The legislation creates a crime for the misuse of identified information by state employees and imposes civil penalties on financial institutions that fail to comply.

The Department of Revenue anticipates these changes to state law would increase collections against delinquent debt owed to the state, and the Oregon Child Support Program may receive increased notifications of bank accounts belonging to delinquent child support obligors, potentially increasing collections through garnishments.

This bill also adds provisions to ORS Chapter 25 authorizing the Oregon Child Support Program to enter into agreements with the Oregon Department of Revenue and with other divisions within the Oregon Department of Justice to share Oregon new hire data reported pursuant to ORS 25.790. These provisions would provide for increased and timelier debt collection by the Department of Revenue and partnering divisions within the Department of Justice.

Key Points of Legislation

- Requires financial institutions in Oregon to participate in a data-match system established by Revenue to identify the assets of delinquent debtors.
- Provides safeguards to prioritize child support collections when delinquent debtors also owe child support arrears.
- Makes the misuse of identified information by state employees a crime.
- Imposes civil penalties on financial institutions that do not comply.
- Authorizes the Oregon Child Support Program to share new hire data with the Department of Revenue and partners within the Department of Justice for debt collection.
- Limits sharing of new hire data to information that has not yet been entered in the state's child support database or directory of new hires.
- Requires a data-sharing agreement between the Oregon Child Support Program and Revenue, subject to approval by the Department of Justice.

Fiscal Impact

None.

Fiscal Benefits

Increased collections against delinquent debt owed to the state, and potential increases in child support collections through garnishments.

Recommended Action

The Oregon Department of Justice recommends committee approval of Senate Bill 254 because it will improve overall collections against debts owed to the state by improving partner access to existing, underutilized data while also safeguarding against negative impact on children and families.