

HB 2619 STAFF MEASURE SUMMARY

Carrier: Rep. Barker

House Committee On Judiciary

Action Date: 02/07/17

Action: Do Pass.

Vote: 8-1-2-0

Yeas: 8 - Barker, Gorsek, Greenlick, Lininger, Olson, Post, Stark, Williamson

Nays: 1 - Vial

Exc: 2 - Sanchez, Sprenger

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Channa Newell, Counsel

WHAT THE MEASURE DOES:

Allows pawnbroker to provide notification of risk of forfeiture of pledge through electronic medium, if the pledgor agrees to receive such notice at the time of creating or renewing the loan. Requires pawnbroker to keep returned envelope and copy of sent notification for notices sent by regular mail for period of two years from date of mailing. Requires pawnbrokers to keep electronic record of each notice sent electronically for period of two years from date sent.

ISSUES DISCUSSED:

- Form of electronic communications can include e-mail or text messaging
- Choice of method for notice remains with pledgor
- Decrease in forfeitures after implementation of text notices
- Possibility of additional forms of notice if failure in first electronic notice

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under current Oregon law, pawnbrokers must give notice of forfeiture to pledgors by regular mail when pledges secure loans of \$500 or more. Notices of forfeiture must be in writing and delivered postpaid in securely closed envelopes to the last known addresses of pledgors. Pledgors have 30 days from the date notice is mailed to redeem pledges or renew loans.

House Bill 2619 allows notices of forfeiture to be made by electronic means if pledgors agree in writing to receive notices via electronic means, rather than through regular mail. Additionally, the measure requires electronic records of sent notices and copies of paper notices sent through regular mail be kept for a period of two years after such notices are sent.