

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 519 - A

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Haylee Morse-Miller
Reviewed by: Michelle Deister, John Borden, Gregory Jolivette, Ken Rocco
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Measure Description:

Increases minimum wage exemption for purposes of garnishment and execution.

Government Unit(s) Affected:

Employment Department (OED), Department of Revenue (DOR), Bureau of Labor and Industries (BOLI), Cities, Counties, Department of Justice (DOJ), Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See analysis.

Analysis:

Senate Bill 519 - A increases the minimum amount of disposable earnings guaranteed to an employee whose earnings are garnished. This measure is expected to have minimal to no fiscal impact on the Bureau of Labor and Industries, Oregon Judicial Department, Department of Justice, Cities, and Counties. Fiscal impacts related to this measure are outlined below.

Oregon Employment Department

The Oregon Employment Department (OED) anticipates that this measure will reduce the amount of money the agency collects through garnishments. In 2019-21, revenues and related interest are projected to decrease by:

- \$(11,953) Nonlimited Other Funds in the Unemployment Insurance Trust Fund
- \$(6,589) Other Funds in the Fraud Control Fund
- \$(1,536) Nonlimited Federal Funds in the Federal Return Account

Changes to the wage garnishment exemption form will have a minimal fiscal impact that can be absorbed by current agency resources.

Department of Revenue

The measure requires the Department of Revenue (DOR) to update the garnishment notice and the minimum wage exemption tables for new wage garnishments. DOR will also need to notify garnishees with previously enacted wage garnishments that will still be active as of the bill effective date of January 1, 2020.

DOR assumes that the total cost of modifying garnishment forms and of distributing approximately 35,000 notices will total \$24,138 Other Funds. This includes staff time to modify forms and the costs of mailing notifications. Other Funds revenue is derived from fees DOR charges to client agencies for collection of delinquent debt.