



March 8, 2023

TO: Members of the House Committee on Business and Labor

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 2008

Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, members of the House Committee on Business and Labor. For the record, I'm Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 2008 as drafted. OBI opposes HB 2008 because it would broadly impact the ability of small businesses owners, medical providers, retail businesses, and government agencies, not just third-party collection agencies, to collect debts from their customers.

HB 2008, as drafted, would, among other things, expansively raise the amount of Oregon's current after tax wage exemption from \$254 per week to \$1000 per week, it would also raise the amount that is exempt under the state's homestead exemption from \$50,000 for a couple to the median home price in a given region, and it would allow individuals to exempt one piece of jewelry, no matter how valuable, from garnishment. The bill would also unnecessarily duplicate provisions of both the Fair Debt Collection Practices Act (FDCPA) and current state law to allow class action lawsuits and uncapped punitive damages. With Oregon's current median annual income estimated to be \$70,084, the increase to the wage exemption alone would make nearly half of the state's population judgement proof.

Since it would make it so difficult to collect debt in Oregon, OBI additionally worries that HB 2008 would have a devastating impact on many Oregonians' access to credit and have the unintended consequence of harming most the very people it aims to protect - Oregon's most vulnerable residents.

Research on state efforts to tighten regulations on debt collection practices, as HB 2008 would, indicates that those efforts can result in either making credit more expensive through higher interest rates or closing off access to credit for many. Lenders simply must make a different calculation when considering whether to extend credit to those who HB 2008 seeks to help by

making them judgment proof. Making it difficult for them to access credit when they need funds to offset emergency expenses or grow a small business.

Thank you for your consideration.

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