

**TESTIMONY ON HB 2008
BEFORE THE HOUSE COMMITTEE ON BUSINESS AND LABOR
MARCH 6, 2023**

**PRESENTED BY: AJA HOLLAND, ASSISTANT GENERAL COUNSEL
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Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, and Members of the Committee:

My name is Aja Holland, and I am an Assistant General Counsel at the Oregon Judicial Department (OJD). I want to start by thanking the numerous sponsors and chief sponsors for bringing this forward. OJD generally supports the goals of the measure, as increasing the limitations for exemptions from execution and garnishment, and allowing actions for unlawful debt collection, would help to mitigate disproportionate outcomes caused by the collection of judgments, including judgments for collection of court fines and fees, in alignment with our [Strategic Campaign Initiative 1.2](#). My testimony is offered for informational purposes and to provide some observations as to how the implementation of this bill may affect the Oregon courts. It is OJD's understanding that technical amendments will be forthcoming and, based on that information, OJD is neutral on HB 2008.

CPI Adjustment of Exemptions from Execution and Garnishment

HB 2008 increases the base amounts for exemptions from execution and garnishment and would require the State Court Administrator (SCA) to increase those amounts annually to account for changes in the Consumer Price Index (CPI). Existing statutes require the SCA to adjust the Oregon Tort Claims Act limits and the statutory wrongful conviction compensation amounts. Prior to each July 1 effective date, updated amounts are sent out for public comment, finalized, and published on the OJD website with notice to interested parties.

This measure would require the SCA to perform similar adjustments for execution and garnishment exemptions (Sections 1 and 3). We have been working with Oregon Consumer Justice (OCJ) on some anticipated technical amendments that would better align the process for updating these exemptions with our existing process. These changes include:

- Allowing the SCA to post each year's updated exemption limitations before they go into effect;
- Including methodology for rounding in the statute (other CPI adjusted measures are rounded to the nearest \$100 and the unrounded calculation is used for future adjustments); and
- Specifying the applicability and effective dates of each adjustment (e.g., "The adjusted limitations become effective on July 1 of the year in which the adjustment is made and apply to all executions, as defined in ORS 18.005(6), issued on or after July 1 of that year and before July 1 of the subsequent year.")

Calculation of the Median Housing Price

OJD does have some concerns regarding the proposed calculation of the median housing price in Section 4 of the measure. Section 4, as introduced, would require the SCA to determine the median housing price in each of Oregon's 36 counties annually, based on valid and reputable published sources.

This provision differs in character from current CPI adjustments because it does not provide the SCA with a prescribed methodology for making the calculations and OJD would need to determine how to conduct these calculations with limited statutory guidance.

OJD is still in the process of determining how the SCA might implement the measure in its current form, and it could require the SCA to conduct a study of the available measures, to purchase and analyze data (such as available Freddie Mac and Sallie Mae sales data), and to hire or reassign a data analyst to perform the calculations. Further, if the SCA is required to calculate the median housing price for each county without statutory guidance, it's unclear whether OJD would be able to implement the measure by July 2024 (the proposed deadline for SCA calculations).

We have communicated these challenges to the proponents and recommended that they consider restructuring this section of the bill to utilize a specified existing calculation or delegate this responsibility to another entity. I understand that the proponents have acknowledged OJD's concerns and are currently analyzing available published measures or alternative entities.

In addition to the concerns described above, OJD provided some technical suggestions to the proponents that we believe would aid in smooth implementation of the measure. I would be happy to provide additional details on those suggestions to the committee or sponsors if requested.

Finally, I would like to thank the proponents of the measure, including Chris Coughlin and Oregon Consumer Justice, and Sybil Hebb with the Oregon Law Center, for being open and amenable to our feedback. With these technical amendments, which we hope will be forthcoming, we are neutral on the bill.

I welcome any questions.