

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2024 Regular Session
Legislative Revenue Office

Bill Number: SB 1595 - 2
Revenue Area: Collections
Economists: Kyle Easton, Dae Baek
Date: 2/13/2024

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

Measure Description:

Increases amounts exempt from execution or judgement for a vehicle and/or homestead. Increases amount of disposable earnings exempt from garnishment. Specifies earnings garnishment exemption amounts for wages payable beginning on or after January 1, 2025. Beginning July 1, 2027, specifies wage garnishment exemption as amount equal to a specified portion of Oregon’s standard minimum wage. Increases amounts exempt from bank garnishment and indexes exemption amount to inflation. Maintains existing law garnishment exemption amounts for garnishments applicable to child support, spousal support, and restitution. Applies to writs of garnishment and writs of execution issued on or after January 1, 2025, and to notices of wage garnishment that are in effect on or after January 1, 2025.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|---------------------------------|-------------|---------|----------|---------|---------|
| | 2023-24 | 2024-25 | 2023-25 | 2025-27 | 2027-29 |
| General Fund | | -\$2.0 | -\$2.0 | -\$8.6 | -\$9.8 |
| Other Agency Accounts | | -\$1.0 | -\$1.0 | -\$4.8 | -\$6.5 |
| UI Trust Fund Balance | | -\$1.0 | -\$1.0 | -\$4.4 | -\$5.0 |
| Paid Leave OR Trust Fund | | -\$0.8 | -\$0.8 | -\$2.8 | -\$3.0 |

Impact Explanation:

Increasing Oregon’s wage garnishment exemption amounts is expected to reduce collections for the Unemployment Insurance (UI) Trust Fund, Paid Leave Oregon Trust Fund, and Department of Revenue’s (DOR) Other Agency Accounts (outstanding debt amounts collected by DOR on behalf of other Oregon agencies). Increasing the exemption for bank garnishments is expected to reduce General Fund and Other Agency Account collections. Estimate of revenue change from increasing exemption amounts for vehicle and/or homestead are not included as collection efforts using property seizure are infrequently used and data on such collections is limited. Impact on UI Trust Fund is not expected to change unemployment insurance tax rate in the foreseeable future for any UI tax paying employer, nor impact Department of Employment’s ability to fund UI benefits.

The estimates were produced using an analysis of proposed changes on historical collections and applied against future expected collections.

Creates, Extends, or Expands Tax Expenditure: Yes No