

February 15, 2024

To: Senate Committee on Finance and Revenue

Fr: Matt Swanson, SEIU Oregon State Council  
Sybil Hebb, Oregon Law Center  
Chris Coughlin, Oregon Consumer Justice

Re: Economic Protections in Senate Bill 1595

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**Chair Meek, Vice Chair Boquist and Members of the Committee:**

Based on research from the National Consumer Law Center, we hope that this survey of various state exemptions for wages, bank accounts and property (homestead) exemptions give some context for the amounts selected in SB 1595.<sup>1</sup>

**Wage exemption**

Debt collection laws provide a minimum protection from wage garnishment to ensure that debtors who are compelled to a certain amount of wages by our courts do not have income drop so low that they can't recover. Oregon's laws have not kept up with rising costs leaving many in a debt trap that is difficult to recover from. Senate Bill 1595 proposes modest increases to reflect our economic realities, and ties future exemptions to the Oregon Standard Minimum Wage so that the amount will adjust annually.

Current Exemptions				
	Weekly	Two Weeks	Semi Monthly	Monthly
Minimum	\$254.00	\$509.00	\$545.00	\$1,090.00
Full time - PDX @ 75%	\$463.50	\$927.00	\$1,004.29	\$2,008.46
Full time - Standard @ 75%	\$426.00	\$852.00	\$923.04	\$1,845.96
Full time - Rural @ 75%	\$396.00	\$792.00	\$858.03	\$1,715.97
Phase In Increase to Minimum Exemption – Proposed in SB 1595				
1/1/2025	\$305.00	\$611.00	\$655.00	\$1,309.00
7/1/2025	\$338.00	\$675.00	\$737.00	\$1,458.00
7/1/2026	\$400.00	\$832.00	\$912.00	\$1,792.00
7/1/2027	Standard Minimum Wage x30	Standard Minimum Wage x60	Standard Minimum Wage x65	Stan Standard Minimum Wage x130

**States that exempt all wages**

- North Carolina All wages exempt

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<sup>1</sup> [2023 Report No-Fresh-Start-3.pdf \(nclc.org\)](#)

- Pennsylvania All wages exempt for most debts
- South Carolina All wages exempt
- Texas All wages exempt

**States that Exempt Higher Amounts than our proposal:**

- **Alaska:** \$743 per week if debtor is sole support of debtor's household
- **Arizona:** 60 times the highest applicable minimum wage (federal, state (\$13.85/hour), or local), or 90% of disposable earnings. May be reduced to 5% in case of "extreme economic hardship" to debtor or family. Weekly amount, \$831
- **California:** 80% of disposable earnings or 48 times the state (15.50/hour) or local minimum wage. If debtor earns more than 48 times the state minimum wage, 40% of the amount in excess of 48 times the state minimum wage can be seized. Weekly amount, \$744
- **Connecticut:** 75% of wages or 40 times federal or state (\$15/ hour) minimum wage. Weekly amount, \$600
- **District of Columbia:** 40 times D.C. minimum wage (\$17/hour); wage seizure limited to 25% of amount in excess of this amount; amount protected can be increased if undue hardship is shown. Weekly amount, \$680.
- **Florida:** \$750 if wage earner is head of family. Weekly amount, \$750
- **Illinois:** 85% of gross wages or 45 times federal or state (\$13/hour) minimum wage \$585
- **Massachusetts:** 85% of gross wages or 50 times the greater of the federal or state (\$15/hour) minimum wage. Weekly amount, \$750.
- **Wisconsin:** Federal poverty amount, based on family size, is exempt; also allows hardship exemption. Weekly amount, \$577.
- **Colorado:** 80% of disposable income or 40 times state minimum wage (\$13.65/hour) Weekly amount, \$546
- **Maine:** 75% of wages or 40 times federal or state (\$13.80/hour) minimum wage. Weekly amount, \$522.
- **Minnesota:** 75% of wages or 40 times federal or state (\$10.59/hour) minimum wage. Also exempts wages of anyone who is, or was within the last 6 months, eligible for public assistance. Weekly amount, \$423.60
- **Missouri:** 90% of wages for head of family. Calculation assumes 40 hours at state minimum wage (\$12/ hour). Also allows reduction in case of hardship. \$432
- **New Jersey:** 90% of wages if under 250% of poverty. Calculation assumes 40 hours at state minimum wage (\$14.13/hour). Weekly amount, \$508.68
- **New Mexico:** 75% of wages or 40 times highest applicable minimum wage. State minimum wage is \$12/ hour. Weekly amount, \$480.
- **New York:** 90% of gross wages, or 30 times federal or state minimum wage. State minimum wage varies from \$14.20 to \$15/hour. Also prohibits wage seizure if debtor receives public assistance or would be qualified to receive it if wages were reduced by the garnishment. Weekly amount, \$540.
- **South Dakota:** 80% of wages or 40 times federal or state (\$10.80/hour) minimum wage, plus \$25 per dependent. Weekly amount, \$482

- **Vermont:** For debt arising from consumer credit transaction, 85% of wages or 40 times federal minimum wage; more if debtor shows need. Percentage calculation assumes 40 hours at state minimum wage (\$13.18/hour). Weekly amount, \$448.12
- **Virginia:** 75% of wages or 40 times federal or state (\$12.00) minimum wage. If household income does not exceed \$1,750/month, additional exemptions of \$34/week for one child, \$52/week for two, and \$66/week for three or more. Weekly amount, \$480
- **Washington:** For consumer debt, 80% of disposable earnings or 35 times state minimum wage (\$15.74/hour). Weekly amount, \$550.90.

### **Bank Account Exemptions**

**SB 1595** – Proposes automatic protection for a reasonable amount of money on deposit so that debtors have a cushion to cover basic needs. SB 1595 proposes a \$2,500 self-executing bank account exemption.

- **Arizona** \$5,000
- **Delaware** Prohibits garnishment of bank account
- **Maine** \$3,000 self-executing protection
- **Nevada** \$10,400, \$400 of which is self-executing (amount includes a \$10,000 wildcard)
- **New York** \$3,600 (240 times the greater of the state or federal minimum wage, currently \$15/hour in NYC area, less in rest of state)
- **North Dakota** \$3,000 (uses \$3,000 of two wildcards that total \$32,500, \$25,000 of which is available only if debtor does not claim a homestead exemption)
- **South Carolina** \$6,700 (available only if debtor does not claim a homestead exemption)
- **Wisconsin** \$5,000
- **Alaska** \$2,970 is protected if a person who is supporting a family does not receive weekly, biweekly, or monthly earnings
- **California** Wages remain exempt after deposit; in addition, California has a self-executing protection for \$2,080
- **Colorado** \$2,500
- **Massachusetts** \$2,500 self-executing protection
- **New Mexico** \$2,400 (through use of a wildcard specifically earmarked for bank accounts)
- **Washington** \$2,000, of which \$1,000 is a self-executing protection (uses \$2,000 of a \$3,000 wildcard that is available if the debt is a consumer debt)

### **Homestead protections**

**SB 1595** – Proposes a homestead protection of \$150,000 for an individual or \$300,000 in home value for a family protected from seizure. Our current protections of \$40,000 for an individual and \$50,000 for joint owners leave many families with very little protection from having their housing threatened.

- **Arkansas** Limit on number of acres, but no dollar cap
- **District of Columbia** No dollar cap if head of family
- **Florida** Limit on number of acres, but no dollar cap
- **Iowa** Limit on number of acres, but no dollar cap

- **Kansas** Limit on number of acres, but no dollar cap
- **Oklahoma** Limit on number of acres, but no dollar cap
- **South Dakota** Limit on number of acres, but no dollar cap
- **Texas** Limit on number of acres, but no dollar cap
- **Minnesota** \$480,000
- **Montana** \$378,560
- **Nevada** \$605,000
- **Rhode Island** \$500,000
- **Washington** \$125,000 or median sale price of home in the county
- **Arizona** \$400,000
- **California** \$339,195 or median price of home in the county, with cap of \$678,391
- **Massachusetts** \$500,000
- **Ohio** \$161,375