

**SB 605 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Campos

**Senate Committee On Labor and Business**

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**Action Date:** 04/08/25

**Action:** Do pass with amendments and requesting subsequent referral to Health Care be rescinded. (Printed A-Eng.)

**Vote:** 3-2-0-0

**Yeas:** 3 - Patterson, Pham, Taylor

**Nays:** 2 - Bonham, Hayden

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 1/30, 3/18, 4/8

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**WHAT THE MEASURE DOES:**

The measure prohibits a person from reporting to a consumer reporting agency the amount or existence of any medical debt that a resident of Oregon owes or is alleged to owe and prohibits a consumer reporting agency from reporting an item that the consumer reporting agency knows or reasonably should know is a medical debt.

Detailed Summary:

**Section 1**

Defines "consumer report" and "consumer reporting agency." Redefines "medical debt" and within definition specifies what "medical debt" does not include. Removes definition for "medically necessary." Prohibits a person from reporting to a consumer reporting agency the amount or existence of any medical debt that a resident of Oregon owes or is alleged to owe and makes violation of this provision an unlawful trade practice. Specifies that a court may declare the medical debt void and uncollectible in an action brought for violation of this provision. Prohibits a consumer reporting agency from including in a consumer report an item that the consumer reporting agency knows or reasonably should know is a medical debt and makes violation of this provision an unlawful trade practice. Makes conforming and technical amendments.

**Section 2**

Makes conforming amendment.

**ISSUES DISCUSSED:**

- Status of recent federal rule on medical debt reporting by the Consumer Financial Protection Bureau
- Impact of measure on the health care system
- Impact of medical debt on consumers
- Other states with laws regarding medical debt reporting
- Definition of "medical debt"
- Whether measure eliminates medical debt
- Relationship of measure to credit card debt

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

The Consumer Financial Protection Bureau (CFPB) is a U.S. agency that is responsible for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. In January 2025, CFPB issued a final rule amending Regulation V, which implements the Fair Credit Reporting Act. This final rule prohibits

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creditors from considering medical information in credit eligibility determinations. This final rule also generally prohibits a consumer reporting agency from providing a creditor a consumer report with information on medical debt that the creditor is prohibited from using.

However, this final rule, known as the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V), is the subject of pending litigation in the United States District Court for the Eastern District of Texas. That Court recently entered a 90-day preliminary injunction that stayed the effective date for the final rule until June 15, 2025.

Senate Bill 605 A prohibits a person from reporting to a consumer reporting agency the amount or existence of any medical debt that a resident of Oregon owes or is alleged to owe and prohibits a consumer reporting agency from reporting an item that the consumer reporting agency knows or reasonably should know is a medical debt.