

House Committee on Rules Testimony in Support of HB 2491A April 21st, 2025

Chair Bowman, Vice-Chair Drazan, and Members of the Committee,

On behalf of the Oregon Law Center (OLC), I submit this testimony in support of House Bill 2491A, which would provide clarity and consistency to the current process applicable when a person petitions the court for a waiver of fines and fees imposed in connection to a criminal conviction. Thank you for the opportunity to testify before your committee, and our thanks to the members of the House Judiciary Committee as well for the time to get this proposal finalized and on its way through the process.

In the development of the language before you this morning, we have reached out to myriad stakeholders including the Oregon Judicial Department, the Oregon District Attorney's Association, the Oregon Criminal Defense Lawyers' Association, the Oregon Alliance to End Violence Against Women, the Oregon Collectors Association, the Oregon Judges Association, and the League of Oregon Cities. We know of no opposition to the proposal.

OLC's mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services. The vast majority of our clients have incomes at or below the federal poverty level, and work hard to provide basic necessities for themselves and their families. The crises of the past several years, including the ongoing housing crisis, have exacerbated the challenges for our low-income communities, and an increasing number of our clients are forced to make terrible choices between paying for rent, food, health care, or other necessities.

Background: Low-income Oregonians with outstanding court fines and fees associated with past convictions face significant barriers to achieving economic stability. Low-income communities and communities of color are disproportionately impacted by court fees, and just one missed payment can escalate into a cycle of debt and punishment. These debts appear for decades on background checks and credit reports, making it nearly impossible for individuals with criminal legal debt to move forward in their lives, even after they have served and completed all other aspects of their sentencing. Financial obligations tied to past criminal convictions can prevent individuals from securing rental housing, qualifying for employment, and maintaining financial stability for themselves and their families.

The Legislature has recognized that court debt can have debilitating impacts, and therefore has created processes by which an individual may petition the court for relief, in whole or in part, from this debt. ORS 151.505(4), ORS 161.665(5), and ORS 161.685(5) each provide the authority for a person who is not in contempt of the court's order to seek a full or partial waiver of fines or fees associated with a conviction.



The problem: The current process for seeking a waiver is not well-structured in statute, leaving courts and parties to guess as to how best to present or resolve these questions. Two of the relevant statutes provide a standard by which the court is to make decisions, but do not define that standard or set out factors for determining whether the standard is met. The third statute does not reference a standard at all. This has led to inconsistency across the state and from court to court regarding how these matters are handled. The lack of clarity in statute makes it difficult for advocates to provide effective assistance to individuals seeking legal advice, and creates barriers to justice for low-income individuals. Specific concerns with the current statutory structure include:

- ORS 151.505 and ORS 161.665 allow waiver if the petitioner establishes that continued obligation would impose "manifest hardship" on the petitioner or their immediate family, but does not identify any factors the court should consider in making this determination.
- ORS 161.685 appears to contemplate a similar standard but does not in fact ever use the term "manifest hardship."
- The current statutes do not specify whether fines or fees that have been waived will be a barrier to expungement if other qualifying criteria have been met,
- The current statutes do not specify whether petitions for waiver may include fines or fees that were imposed after the initial conviction judgment, for example post-judgment late fees, violation fees, and the like.
- There is no consistent process by which these questions may be brought before the court.

The Oregon Court of Appeals recently identified some of these issues in their recent <u>State v.</u> <u>Dunham</u> decision, finding that the purpose of the statutes is to ensure that costs are exacted only from those able to afford them, and suggesting that there ought to be factors in making those determinations.

Proposed solution: HB 2491A was negotiated in recognition that there ought to be an accessible, consistent, and fair statewide process applicable to all circuit, justice and municipal courts, by which individuals may petition the court for relief when payment requirements during the normal course of judgment would impose a manifest hardship on the person or their family. Passage of this bill will provide needed clarity and consistency, streamlining the process and increasing access to justice. **Key Elements of the bill:**

- Provides that when a person seeks waiver of unpaid fines/fees associated with a conviction for a crime or violation pursuant to ORS 151.505(4), ORS 161.665(5) 161.685(5), the court:
 - May hold a hearing;
 - Must waive, in full or in part, if the court determines that requiring payment would be a "manifest hardship" for defendant/petitioner or immediate family.
- Sets out specific factors the court must consider to the extent that the parties offer relevant evidence of them:
 - Financial resources (income/assets);
 - Financial obligations;



- Nature of the burden the debt imposes;
- Whether the petitioner qualifies for public assistance;
- The age of debt;
- Any other equitable factors.
- If a fine/fee is waived, it may not be a barrier to an expungement request.
- Applies to all fines or fees associated with a case, but does not apply to or change any law related to restitution.
- Provides that the State Court Administrator will develop a standardized form to be used for petitions for the remission of fines, fees, or costs and will make that form available on the Judicial Department website.

The proposal before the committee this morning does not change the principles underlying the current law but will provide much needed clarity and consistency regarding how the current law is implemented. Standardizing the process and factors by which petitions for waivers are considered will facilitate court processes, make it easier for people to get effective advice, and reduce economic barriers to justice. For these reasons, we urge your support.

Thank you for the opportunity to testify.