



SENATE MAJORITY OFFICE

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Senate expands “tools of the trade” exemption to help struggling Oregonians *SB 935 allows debtors to keep up to \$5,000 of business equipment to protect their livelihood*

SALEM – The Oregon Senate voted this morning to increase the amount that Oregonians are allowed to exempt from bankruptcy to protect business equipment vital to their ability to earn a living. SB 935 raises the “tools of the trade” exemption from \$3,000 to \$5,000 dollars, helping thousands of Oregonians who own small businesses or work as independent contractors.

“This bill will help some struggling Oregonians get back on their feet and recover from the effects of the worst economic climate we’ve seen since the Great Depression,” said Senator Richard Devlin (D-Tualatin), who introduced the bill in response to issues raised by a constituent. “By passing SB 935 we will be able to help some Oregonians remain employed or restart their businesses, allowing them to be contributing members of our economy.”

Although bankruptcy is governed by federal law, each state is allowed to determine the type and value of property that may be exempted as “tools of the trade.” Oregon has taken advantage of this provision and established its own exemption amount, although it has not been updated since 1993.

“Unfortunately, we’ve seen too many Oregonians lose everything in this recession,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “From construction workers to auto mechanics, this bill will help people who rely on their tools for their livelihood.”

SB 935 was voted off the Senate floor with a unanimous vote. The bill now goes to the House for consideration.

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