



SENATE MAJORITY OFFICE

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CONTACT: Molly Woon (503) 986-1074
molly.woon@state.or.us

Bill will stop garnishment of exempt income, protect most vulnerable Oregonians
SB 731 will fix inconsistency in garnishment law, help seniors and veterans

SALEM – The Oregon Senate voted to protect Oregon’s most vulnerable today by passing legislation that will prevent the garnishment of certain funds that people depend on for basic living expenses. For those relying on public assistance, Senate Bill 731 ensures that these Oregonians will be protected from having to fight to keep the funds they are entitled to.

“For some Oregonians, these funds are the only resource they have to keep food on the table and a roof over their heads,” said Senator Suzanne Bonamici (D-Washington Co./Portland), chair of the Senate Consumer Protection Committee. “Oregon’s current garnishment practices undermine the ability of some seniors, veterans, and out-of-work families to make ends meet.”

Protected funds include Social Security, veterans’ benefits, unemployment insurance, public assistance, and worker’s compensation. Federal and state law provides that these funds are exempt from garnishment. However, current Oregon law contradicts this prohibition by requiring a financial institution to turn the funds over to a creditor. In order to recover the exempt funds, the consumer must file a legal challenge and make their case in court.

“Going to court is not a realistic option for those Oregonians who are trying to stay afloat,” said Senator Ginny Burdick (D-Portland). “Even though these funds rightfully belong to them, the process of trying to reclaim that money can take months and can be incredibly costly.”

SB 731 protects from garnishment an amount equal to the qualified deposits received in the calendar month preceding the month that that garnishment is requested. For example, if a person received a direct-deposit of \$500 in exempt funds during the month, they will have \$500 protected and any additional funds in the account over that amount will be subject to garnishment.

“This legislation is especially important for Oregon’s veterans, seniors, and families that are facing the challenges of unemployment,” said Senate Majority Leader Richard Devlin (D-Tualatin). “We have a moral obligation to look out for vulnerable Oregonians and make sure that their basic needs are protected.”

The bill will now go to the House for consideration.

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