

Oregon Department of Consumer and Business Services Division of Financial Regulation, Bulletin No. DFR 2025-1

TO: All Oregon-based companies offering tax debt management services

DATE: January 10, 2025

RE: Companies that provide tax debt management services are required to register as debt management service providers

I. Purpose

This bulletin provides guidance to companies not registered under the Oregon debt management service provider's law (DMSP law)¹ due to the belief that tax debt management services do not constitute debt management services (DM services). Under the DMSP law a tax obligation or liability does constitute a debt. Therefore, companies that provide tax debt management services, and are not otherwise exempt or excluded from the registration requirement in the DMSP law, must be registered.

II. Authority

- ORS 697.632
- OAR 441-910-0010

III. Background

The DMSP law provides that, subject to certain enumerated exceptions, anyone who performs DM services or certain activities related to DM services must register with the Oregon Division of Financial Regulation (DFR) as a DMSP.²

The DMSP law defines DM services as various specified activities undertaken for, or offered to, consumers.³ The DMSP law defines the term "consumer" to mean "an individual who is obligated or is allegedly obligated to pay a debt and, on whose behalf, a DMSP performs or agrees to perform a DM service."⁴ The DMSP law does not define the term "debt."

¹ ORS 697.602 to ORS 697.842 constitute the DMSP Law.

² ORS 697.632.

³ ORS 697.602(2).

⁴ ORS 697.602(1).

DFR has been made aware that certain companies that hold themselves out as providing tax debt management services have not registered as DMSPs due to the belief that tax obligations are not debts for purposes of the DMSP law.

IV. Guidance

The DMSP law and its legislative history do not assign any special or limited meaning to the term “debt.” Although narrow or specialized definitions of similar terms might be found in other laws, those definitions are not relevant to the meaning of the term “debt” as used in the DMSP law.⁵ Accordingly, like any other undefined statutory term, the term “debt” carries its plain, natural, and ordinary meaning, which, in the context of the DMSP law, includes anything “owed by one person to another” or anything “one person is bound to pay to another.”⁶ A taxpayer’s personal state and federal tax obligations represent sums that the taxpayer owes and is bound to pay to the relevant taxing authority. Applicable legal authority provides that such tax obligations are personal debts that the government may enforce directly against the taxpayer.⁷ Therefore, companies that engage the activities defined as DM services with respect to individuals owing tax obligations are required to register with the division as DMSPs. Performing DM services without first registering with the division may result in enforcement action, including the assessment of civil penalties up to \$5,000 per violation.⁸

Information regarding how to register can be found on DFR’s website:
<https://dfr.oregon.gov/business/licensing/financial/pages/debt-management.aspx>.

This bulletin is effective upon issuance.



TK Keen
Administrator
Division of Financial Regulation

1/10/2025

Date

⁵ See, e.g., *TruNorth Warranty Plans of North America, LLC v. DCBS*, 327 Or.App. 603, 609 n.5-6 (2023)

⁶ Webster’s Third New Int’l Dictionary 583 (unabridged ed. 1981)

⁷ See, e.g., ORS 314.440(1) (“Every tax imposed by any law imposing a tax upon or measured by net income . . . shall become, from the time such liability is incurred, a personal debt, due the State of Oregon, from the person or persons liable therefor.”); *United States v. Rodgers*, 461 U.S. 677, 682 (1983) (explaining that the government “may, for example, simply sue for the unpaid amount [of taxes], and, on getting a judgment, exercise the usual rights of a judgment creditor.”)

⁸ ORS 697.832.