

House Bill 2320

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Judicial Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows State Court Administrator to enter into intergovernmental agreement with United States Financial Management Service and Internal Revenue Service for purpose of offsetting federal tax refunds to collect liquidated and delinquent accounts of state courts and commissions, departments and divisions in judicial branch.

Requires Oregon State Lottery Commission to hold lottery prize in excess of \$600 and notify State Court Administrator if lottery prize winner is listed in database of persons having liquidated and delinquent court accounts.

A BILL FOR AN ACT

1
2 Relating to collection of delinquent accounts; creating new provisions; and amending ORS 1.198,
3 1.202 and 461.715.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS 1.194 to 1.200.**

6 **SECTION 2. The State Court Administrator may enter into an intergovernmental agree-**
7 **ment with the United States Financial Management Service and the Internal Revenue Ser-**
8 **vice for the purpose of offsetting federal tax refunds of debtors against debtors' liquidated**
9 **and delinquent accounts owing to state courts or owing to commissions, departments or di-**
10 **visions in the judicial branch of state government.**

11 **SECTION 3. ORS 1.198 is amended to read:**

12 1.198. (1) ORS 1.197 does not apply to liquidated and delinquent accounts that are:

13 (a) Prohibited by state or federal law or regulation from assignment or collection; or

14 (b) **Subject to collection through an offset of federal tax refunds pursuant to an agree-**
15 **ment entered into under section 2 of this 2007 Act.**

16 (2) Notwithstanding ORS 1.197, a state court or a commission, department or division in the
17 judicial branch of state government, acting in its sole discretion, may choose not to offer a liqui-
18 dated and delinquent account to a private collection agency or to the Department of Revenue if the
19 account:

20 (a) Is secured by a consensual security interest in real or personal property;

21 (b) Is based on that part of a judgment that requires payment of restitution or a payment to the
22 Crime Victims' Assistance section of the Criminal Justice Division of the Department of Justice;

23 (c) Is in litigation, mediation or arbitration or is subject to a stay in bankruptcy proceedings;

24 (d) Is owed by a local or state government or by the federal government;

25 (e) Is owed by a debtor who is hospitalized in a state hospital as defined in ORS 162.135 or who
26 is on public assistance as defined in ORS 411.010;

27 (f) Consists of moneys for which a district attorney has assumed collection responsibility under
28 ORS 8.680;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

(g) Consists of moneys owed by a person who is incarcerated;

(h) Is an account that was previously offered to a private collection agency and was refused, or that was previously assigned to a private collection agency and the agency thereafter relinquished the account;

(i) Is less than \$100, including penalties; or

(j) Would result in loss of federal funding if assigned.

SECTION 4. ORS 1.202 is amended to read:

1.202. (1) All circuit courts and appellate courts of this state, and all commissions, departments and divisions [of] **in** the judicial branch of state government, shall add a fee of not less than \$25 and not more than \$50 to any judgment that includes a monetary obligation that the court or judicial branch is charged with collecting. The fee shall [be added to] cover the cost of establishing and administering an account for the debtor and shall be added without further notice to the debtor or further order of the court. The fee shall be added only if the court gives the defendant a period of time in which to pay the obligation after the financial obligation is imposed. Fees under this subsection shall be deposited in the General Fund.

(2) All circuit courts and appellate courts of this state, and all commissions, departments and divisions [of] **in** the judicial branch of state government, that use **private collection agencies**, the Department of Revenue [or private collection agencies] **or an offset of federal tax refunds pursuant to an agreement entered into under section 2 of this 2007 Act** shall add a fee to any judgment referred for collection that includes a monetary obligation that the state court or the commission, department or division is charged with collecting. [The fee shall be added] **A fee** to cover the costs of collection charged by **the private collection agency**, the Department of Revenue, **the United States Financial Management Service or the Internal Revenue Service** [or private collection agency and] shall be added to the monetary obligation without further notice to the debtor or further order of the court. The fee may not exceed the actual costs of collection charged by **the private collection agency**, the Department of Revenue, **the United States Financial Management Service or the Internal Revenue Service.** [or private collection agency.] Fees under this subsection shall be deposited in the Judicial Department Collections Account established under ORS 1.204 and may be used only for the purposes specified in ORS 1.204.

(3) A court may not waive or suspend the fees required to be added to judgments under the provisions of this section.

SECTION 5. ORS 461.715 is amended to read:

461.715. (1) The Oregon State Lottery Commission, by rule, shall develop procedures whereby:

(a) Before paying any portion of a lottery prize in excess of \$600, the lottery commission shall check the name and Social Security number of the person entitled to payment **of the lottery prize** against a computer database containing the names and Social Security numbers of obligors who are delinquent in paying child support obligations **and a computer database containing the names and identifying information of debtors who are delinquent in paying liquidated accounts owing to a state court or owing to a commission, department or division in the judicial branch of state government.**

[(b) When the person is listed in the database, the lottery commission shall:]

[(A) Place a 30-day hold on any payment to the person;]

[(B) Inform the person of the hold; and]

[(C) Notify the Division of Child Support of the Department of Justice that a delinquent obligor has won a lottery prize or is entitled to payment on a lottery prize.]

1 **(b) If the lottery commission finds that a person entitled to payment of the lottery prize**
 2 **is listed in a computer database described in paragraph (a) of this subsection, the lottery**
 3 **commission shall place a 30-day hold on any payment to the person and shall inform the**
 4 **person of the hold.**

5 **(c) If the person entitled to payment of the lottery prize is delinquent in paying child**
 6 **support obligations, the lottery commission shall notify the Division of Child Support of the**
 7 **Department of Justice that a delinquent obligor is entitled to payment of a lottery prize.**

8 **(d) If the person entitled to payment of the lottery prize is delinquent in paying liquidated**
 9 **accounts owing to a state court or owing to a commission, department or division in the**
 10 **judicial branch of state government, the lottery commission shall notify the State Court**
 11 **Administrator that a delinquent debtor is entitled to payment of a lottery prize.**

12 [(c)] **(e) If a garnishment proceeding is initiated within the 30-day hold period required under**
 13 **paragraph (b) of this subsection, the lottery commission shall continue to hold any payment to the**
 14 **person pending disposition of the proceeding.**

15 [(d)] **(f) If a garnishment proceeding is not initiated within the 30-day hold period required**
 16 **under paragraph (b) of this subsection, the lottery commission shall make payment on the prize**
 17 **to the person at the earlier of the end of the 30-day hold period or when [the Division notifies the**
 18 **lottery commission that a garnishment proceeding will not be initiated, whichever is sooner] the lot-**
 19 **tery commission receives notice that a garnishment proceeding will not be initiated from:**

20 **(A) The Division of Child Support of the Department of Justice, if the person entitled to**
 21 **payment of the lottery prize is delinquent in paying child support obligations;**

22 **(B) The State Court Administrator, if the person entitled to payment of the lottery prize**
 23 **is delinquent in paying liquidated accounts owing to a state court or owing to a commission,**
 24 **department or division in the judicial branch of state government; or**

25 **(C) The Division of Child Support of the Department of Justice and the State Court Ad-**
 26 **ministrator if the person entitled to payment of the lottery prize is delinquent in paying child**
 27 **support obligations and in paying liquidated accounts owing to a state court or owing to a**
 28 **commission, department or division in the judicial branch of state government.**

29 (2) The lottery commission shall establish and operate [*a data match system*] **separate data**
 30 **match systems** using automated data exchanges with the Division [*that identifies*] **of Child Support**
 31 **of the Department of Justice and with the State Court Administrator to identify delinquent**
 32 **child support obligors and debtors who are delinquent in paying liquidated accounts owing to**
 33 **a state court or owing to a commission, department or division in the judicial branch of state**
 34 **government.** Any information necessary to identify [*delinquent obligors*] **such obligors or debtors**
 35 **and to hold a payment on a prize shall be made available to the lottery commission through the**
 36 **data match system.**

37 (3) The Department of Justice, **the State Court Administrator** and the Oregon State Lottery
 38 Commission shall enter into an agreement regarding the procedures required by subsections (1) and
 39 (2) of this section.