

# Enrolled Senate Bill 259

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CHAPTER .....

AN ACT

Relating to offsetting against liquidated state debt moneys owed to debtors; and declaring an emergency.

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

**SECTION 1.** Section 2 of this 2013 Act is added to and made a part of ORS chapter 657.

**SECTION 2.** (1) **The Director of the Employment Department may enter into an inter-governmental agreement with the federal government for the purposes of:**

(a) **Offsetting against liquidated state debt moneys that the federal government owes to the debtor; and**

(b) **Sharing information as necessary to make offsets under paragraph (a) of this subsection.**

(2) **The director may request an offset against liquidated state debt under this section only if:**

(a) **The debt is legally enforceable;**

(b) **The debt is past due;**

(c) **The debt was caused by the debtor's willfully making a false statement or misrepresentation, or willfully failing to report a material fact, to obtain any benefits under this chapter;**

(d) **The debtor's appeal period for contesting the debt and the element of causation described in paragraph (c) of this subsection has expired; and**

(e) **The director has provided at least 60 days' advance written notice to the debtor that the debt will be offset pursuant to this section and that the debtor has the right to request administrative review under rules adopted by the director pursuant to subsection (5) of this section.**

(3)(a) **The director may pay a fee charged by the federal government for processing a request for an offset under subsection (1) of this section.**

(b) **The net amount received from the federal government after deduction of fees charged under paragraph (a) of this subsection shall be offset against the debt.**

(4)(a) **The director may pay a fee charged by the Department of Revenue pursuant to ORS 293.250 for processing a request to offset against liquidated state debt a state tax refund owed to the debtor.**

(b) The net amount received from the Department of Revenue after deduction of fees charged under paragraph (a) of this subsection shall be offset against the debt.

(5) The director shall adopt rules consistent with federal requirements for debt offsets requested under this section that establish the requirements for the advance written notice provided to debtors, and the procedures pursuant to which a debtor may obtain administrative review, under this section.

**SECTION 3.** The 60 days' advance written notice required under section 2 (2)(e) of this 2013 Act is not valid unless it is sent on or after the effective date of this 2013 Act, and the Director of the Employment Department may not request an offset under section 2 (2) of this 2013 Act before the date that is 60 days after the effective date of this 2013 Act.

**SECTION 4.** This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.

Passed by Senate March 13, 2013

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House April 11, 2013

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2013

Approved:

.....M,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

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Kate Brown, Secretary of State