

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Erin Seiler, Administrator

Meeting Dates: 3/5

WHAT THE MEASURE DOES: Directs state agencies to request Social Security numbers of certain applicants for state services if application could result in debt owed to state agency more than \$100. Requires notice to applicants regarding use of Social Security numbers for debt collection purposes. Requires that annual state agency report to Legislative Fiscal Office on liquidated and delinquent accounts include total number and amount of accounts for which no payment has been received for more than 90 days and that have not been assigned to private collection agency or Department of Revenue (DOR) for collection. Allows state agencies or private collection agencies to propose and accept offers of compromise for settlement of debt owed to state agency. Allows DOR to offset refunds due to debtor against delinquent accounts of county or city. Directs Oregon Department of Administrative Services (DAS) to provide training and technical assistance to state agencies on managing accounts receivable and collecting liquidated and delinquent accounts. Directs DAS to adopt rules governing collection of liquidated and delinquent accounts. Directs state agencies to impose fee for collection of liquidated and delinquent accounts. Dedicates fee to payment of expenses of DAS in providing training and technical assistance. Authorizes DAS Services to enter into reciprocal offset agreement with United States Secretary of Treasury. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: Oregon has substantial uncollected debt and delinquent accounts. The state's delinquent debt rose from \$1.7 billion at the end of fiscal year 2008 to \$3.2 billion in 2014, while statewide collection rates dropped from 13.5 percent to 10.5 percent. The Oregon Judicial Department and Oregon Department of Revenue are the primary holders of uncollected debt, which is largely made up of court fees, fines, restitution orders and unpaid taxes.

Unlike a business, the state does not write off debt, but holds onto many delinquent accounts forever. Moreover, state agencies have limited tools available to them could improve collection rates, particularly when the individual does not have the ability to repay debt.

3/5/2015 10:27:00 AM *

This summary has not been adopted or officially endorsed by action of the committee.