

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Subject to rules adopted by Oregon Department of Administrative Services (DAS) regarding the form of notice, the measure requires a state agency, as defined, that requests person to voluntarily supply Social Security number (SSN) on any document relating to any monetary obligation or transaction to include on that document a notice disclosing that the SSN provided may be used for state agency debt collection activities;

Permits DAS to adopt rules setting procedures for sharing SSN between state agencies as well as private collection agencies for the purpose of collecting debts owed to the state and permits state agency, Department of Revenue (DOR), or private collection agency to use SSN to collect any debt owed a state agency or local government;

Requires that the annual state agency report to Legislative Fiscal Office on liquidated and delinquent accounts include specific information on accounts that are not administratively exempt or otherwise exempt from assignment for collection that are more than 90 days old, but have not been assigned for collection by DOR or a private collection agency and requires that the LFO include a listing of agencies with such accounts in the LFO annual report;

Allows a state agency to add a fee to be paid by the debtor when assigning an account to DOR for collections if debtor is notified of the existence of the debt, that the debt may be assigned to DOR for collection, and the amount of the fee that may be added, does not limit the fee to the cost of collection;

Permits DOR or private agency to propose and accept a compromise for settlement of debt owed to state agency and requires that a state agency adopt criteria for determining when offers of compromise may be made; criteria must be approved by DAS and Attorney General, or by Chief Justice in case of all state courts and all commissions, departments and divisions in judicial branch of state government;

Requires DOR to make all reasonable efforts in collection of any delinquent account owing to any state agency, or to a county in place of current statutory requirement to utilize all means available to collect the debts;

Directs DAS to adopt policies providing guidance for the collection of state agency liquidated and delinquent accounts, setting procedures for state agencies to manage information and records pertaining to the agency's liquidated and delinquent accounts, agency added fees or charges to liquidated and delinquent accounts, setting exemptions or adjustments for agencies that are prohibited from adding or collecting additional fees, for the improvement of communication between agencies, DOR, and private collection agencies regarding liquidated and delinquent accounts, describing conditions under which a state agency may request and collect SSN in accordance with state and federal law, and setting criteria for the proposal and acceptance of offers of compromise;

Requires a state agency to make all reasonable efforts to collect delinquent accounts owed to the state agency including the setoff of refunds or sums due the debtor from the state agency, DOR, or any other state agency;

Requires DAS to adopt rule establishing procedures for the offset of amounts between state agencies;

Direct DAS to estimate the biennial cost of carrying out the provisions required of DAS in the bill, determine each state agency's share of those expenses, Directs DAS to impose fee on state agencies to collect these expenses and dedicates fee to Delinquent Accounts Administration Fund established in State Treasury for payment of expenses of DAS related to provisions of the measure; and

Sets operative date of Jan 1, 2016, declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No 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 the 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.