

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 05/21/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 05/06, 05/18, 05/21

Vote:

Yeas: 5 - Burdick, Gelser, Kruse, Prozanski, Thatcher

Prepared By: Channa Newell, Counsel

WHAT THE MEASURE DOES:

Provides discretion to state agency in assigning liquidated and delinquent account to private collection agency when debt is owed by estate and agency has received notice that estate has closed. Declares emergency; effective July 1, 2015.

ISSUES DISCUSSED:

- Example of attempted collection from long-closed estate
- Procedure for state to collect on accounts
- Instances when collection is discretionary
- PERS overpayment and ongoing litigation to collect overpayments

EFFECT OF COMMITTEE AMENDMENT:

Changes entity receiving notice of closed estate from Department of Revenue to state agency.

BACKGROUND:

State agencies are required to assign all debts owed on a liquidated or delinquent account to either a private collection agency or to the Department of Revenue for collection within 90 days of most recent payment or liquidation of the account. State agencies have discretion to not assign a debt for collection in limited circumstances, such as when the debt is a judgment that includes restitution or payment to the Crime Victims' Assistance Section, the account is in bankruptcy, the debt is less than \$100, or the debtor is imprisoned or in the state hospital.

House Bill 2549 A creates an additional option for state agencies to decline to send a debt to collections when the debt is owed by an estate and the agency has notice that the estate has closed.