

# House Bill 3138

Sponsored by Representative NATHANSON

## 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**.

Expands collection mechanisms that Collections Unit in Department of Revenue may use to collect judgments in criminal action assigned to unit by justice courts.

## A BILL FOR AN ACT

1  
2 Relating to justice courts; amending ORS 156.315 and 293.250.

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

4 **SECTION 1.** ORS 156.315 is amended to read:

5 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS  
6 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

7 (a) To determine whether refunds or other sums are owed to the debtor by the department[.]; and

8 [(b)] to deduct the amount of the debt from any refunds or other sums owed to the debtor by the  
9 department[.]; **and**

10 **(b) To engage in any other collection activities authorized under ORS 293.250.**

11 (2) If the Collections Unit determines that refunds or other sums are owed to the debtor, the  
12 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor  
13 by the department. After also deducting costs of its actions under this section, the department shall  
14 remit the amount deducted from refunds or other sums owed to the debtor to the justice court that  
15 assigned the judgment.

16 (3) A debtor whose account is assigned to the Department of Revenue for setoff under this sec-  
17 tion is entitled to the notice required by ORS 293.250 (3)(d) and to the opportunity for payment in  
18 ORS 293.250 (3)(c).

19 **SECTION 2.** ORS 293.250 is amended to read:

20 293.250. (1) There is hereby created a Collections Unit in the Department of Revenue.

21 (2) The Department of Revenue may render assistance in the collection of any delinquent ac-  
22 count owing to any state officer, board, commission, corporation, institution, department or other  
23 state organization, or to a county [*pursuant to*] **under a judgment in a criminal action or a**  
24 **judgment obtained under ORS 169.151, assigned by the agency or county to which the delinquent**  
25 **account is owed to the Department of Revenue for collection.**

26 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-  
27 lection of delinquent accounts owing to the respective officers, departments, boards and commissions  
28 of state government, and to counties, the Department of Revenue shall render assistance in such  
29 collection and shall charge such officers, agencies and counties separately for the cost of such as-  
30 sistance, provided that charges shall not exceed the proceeds of collection credited to such officer,  
31 agency or county for the same biennium. The Department of Revenue may designate a single per-

**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.

1 centage to retain from the proceeds of collection as a charge for the cost of assistance. If the De-  
2 partment of Revenue finds that accounts assigned to the Department of Revenue for collection by  
3 certain officers, agencies or counties lack sufficient information to properly and efficiently identify  
4 the debtor or that the account information must be put into a form usable by the Department of  
5 Revenue in order to efficiently provide collection services, the Department of Revenue may establish  
6 a separate percentage charge to be retained from collections for the officer, agency or county. The  
7 charge must reflect the average of the actual cost to provide collection services for all accounts  
8 assigned by that officer, agency or county. In providing assistance, the Department of Revenue shall  
9 utilize all means available to collect the delinquent accounts including the setoff of any refunds or  
10 sums due to the debtor from the Department of Revenue or any other state agency. The Department  
11 of Revenue may offset any refunds or sums due to the debtor from the department or any other state  
12 agency against delinquent accounts assigned by a county to the department for collection under this  
13 section. The Department of Revenue may prescribe criteria for the kinds of accounts that may be  
14 assigned under this section, including a minimum dollar amount owed.

15 (b) No setoff will be made by the Department of Revenue unless the debt is in a liquidated  
16 amount.

17 (c) When the Department of Revenue has notified the assigning agency or county that a refund  
18 or other sum due to the debtor is available for setoff, the debtor may arrange with the Department  
19 of Revenue for payment of the debt in full before the setoff is made. However, the assigning agency  
20 or county shall not enter into any agreement with the debtor for payment of the debt before the  
21 setoff is made.

22 (d) At the time any setoff is made the debtor shall be notified by the Department of Revenue  
23 of its intention to apply sums due from a state agency against the debtor's delinquent account. The  
24 notice shall provide that the debtor within 30 days may request a hearing before the claimant  
25 agency or county. No issues at the hearing may be considered that have been litigated previously,  
26 or if the debtor after being given due notice of rights of appeal has failed to exercise them timely.

27 (e) All moneys received by the Department of Revenue in payment of charges made under par-  
28 agraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscellaneous  
29 receipts account for the Department of Revenue.

30 (f) Net proceeds of collections of delinquent accounts shall be credited to the account or fund  
31 of the officer, agency or county to which the debt was originally owing.

32 (4)(a) In providing assistance in the collection of any delinquent account under this section, the  
33 Department of Revenue may issue a warrant for the collection of the delinquent account. The  
34 warrant may be recorded in the County Clerk Lien Record maintained under ORS 205.130.

35 (b) A warrant shall not be issued under this subsection unless the debt is in a liquidated amount.

36 (c) The amount of any warrant issued under this subsection shall include the principal amount  
37 of the debt, any added penalties or interest attributable to the delinquent account and any costs  
38 associated with recording, indexing or service of the warrant and any satisfaction or release thereof.

39 (d) A warrant shall not be issued under this subsection before the debtor has been notified that  
40 the department intends to issue the warrant and of the collection action that may be taken under  
41 the warrant.

42 (5) Nothing in this section shall prohibit the collection of:

43 (a) A child or spousal support obligation as provided in ORS 25.610; or

44 (b) Criminal judgments that impose monetary obligations, including judgments requiring the  
45 payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution.

