

A-Engrossed Senate Bill 55

Ordered by the Senate May 18
Including Senate Amendments dated May 18

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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.

[Directs state agencies to request Social Security numbers of certain applicants for state services if application could result in debt owed to state agency. Requires notice to applicants regarding use of Social Security numbers for debt collection purposes.] **Authorizes state agencies that request persons to voluntarily supply Social Security numbers on documents relating to any monetary obligation or transaction to include on documents notice that Social Security numbers may be used for state agency debt collection activities. Allows state agencies, Department of Revenue and private collection agencies to use Social Security numbers to collect debt owed state agency or local government.**

Requires that annual state agency report to Legislative Fiscal Office on liquidated and delinquent accounts include *[total number and amount of accounts for]* **list of state agencies that have liquidated and delinquent 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 for collection.

Allows state agencies that assign liquidated and delinquent account to Department of Revenue to add fee to be paid by debtor. Requires notice to debtor.

Allows state agencies, **Department of Revenue** or private collection agencies to propose and accept offers of compromise for settlement of debt owed to state agency.

Directs Oregon Department of Administrative Services to adopt policies relating to state agency debt collection. Directs department to provide training and technical assistance to state agencies regarding debt collection.

Directs state agencies to make all reasonable efforts to collect delinquent accounts, including use of Social Security numbers and setoff of amounts due debtor from state agencies. Requires Oregon Department of Administrative Services to adopt policies setting procedures for setoff of amounts between state agencies.

Requires Oregon Department of Administrative Services to charge each state agency for agency's share of department's expenses relating to state agency debt collection processes.

[Allows Department of Revenue to offset refunds due to debtor against delinquent accounts of county or city.]

[Directs Oregon Department of Administrative Services to provide training and technical assistance to state agencies on managing accounts receivable and collecting liquidated and delinquent accounts. Directs department 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 Oregon Department of Administrative Services in providing training and technical assistance.]

[Authorizes Oregon Department of Administrative Services to enter into reciprocal offset agreement with United States Secretary of Treasury.]

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to debt collection; creating new provisions; amending ORS 137.118, 156.315, 293.229, 293.231,
3 293.240 and 293.250; and declaring an emergency.

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

5 **SECTION 1.** (1) **Subject to subsection (2) of this section, a state agency that requests a**
6 **person to voluntarily supply the person's Social Security number on any document relating**

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 to any monetary obligation or transaction may include on the document a notice disclosing
2 that the Social Security number may be used for state agency debt collection activities.

3 (2) The Oregon Department of Administrative Services shall adopt rules:

4 (a) Specifying the form of the notice, including provisions specifying when the notice
5 must state that the disclosure of a Social Security number is voluntary; and

6 (b) Setting procedures for the sharing of Social Security numbers between state agencies
7 and private collection agencies for the purpose of collecting debts owed state agencies.

8 (3) If a person is required to provide the person's Social Security number to the re-
9 questing state agency under federal or state law, this section does not apply.

10 (4) A state agency, the Department of Revenue under ORS 293.250 or a private collection
11 agency assigned a delinquent account under ORS 1.197 or 293.231 may use a Social Security
12 number collected under this section, or collected as otherwise allowed by law, to collect any
13 debt owed a state agency or local government by the person associated with the Social Se-
14 curity number.

15 (5) Nothing in this section authorizes a state agency, the Department of Revenue or a
16 private collection agency assigned an account under ORS 1.197, 293.231 or 293.250 to use or
17 disclose a Social Security number for any reason other than a reason specified in this sec-
18 tion.

19 (6) As used in this section:

20 (a) "State agency" means any state officer, board, commission, corporation, institution,
21 department or other state organization.

22 (b) "State agency" does not include all state courts and all commissions, departments and
23 divisions in the judicial branch of state government, the Secretary of State and the State
24 Treasurer.

25 **SECTION 2.** ORS 293.229 is amended to read:

26 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report
27 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent
28 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the
29 previous fiscal year. The report required under this subsection shall be in a form prescribed by the
30 Legislative Fiscal Office and shall include but not be limited to:

31 (a) Beginning balance and total number of all liquidated and delinquent accounts;

32 (b) New liquidated and delinquent accounts added during the last preceding fiscal year;

33 (c) Total collections of liquidated and delinquent accounts;

34 (d) Total amount and total number of liquidated and delinquent accounts that have been written
35 off;

36 (e) Total number and ending balance of all liquidated and delinquent accounts;

37 (f) Total amount of liquidated and delinquent accounts turned over to private collection agencies
38 and total amount collected by those agencies under ORS 293.231; [and]

39 (g) Total number and total amount of all liquidated and delinquent accounts exempted under
40 ORS 293.233; and

41 (h) A statement indicating whether the agency has liquidated and delinquent accounts
42 that are not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from
43 assignment, for which no payment has been received for more than 90 days and that have
44 not been assigned to a private collection agency or to the Department of Revenue under ORS
45 293.231.

1 (2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of
2 each fiscal year on the status of liquidated and delinquent accounts of state agencies. The report
3 shall be based on the reports submitted by state agencies as required in this section **and shall list**
4 **those state agencies that have liquidated and delinquent accounts that are not exempt under**
5 **ORS 293.233, or are otherwise prohibited or exempted by law from assignment, for which no**
6 **payment has been received for more than 90 days and that have not been assigned to a pri-**
7 **vate collection agency or to the Department of Revenue under ORS 293.231.**

8 **SECTION 3.** ORS 293.231 is amended to read:

9 293.231. (1) Except as provided in subsections (4) to (9) of this section, a state agency, unless
10 otherwise prohibited by law, shall offer for assignment every liquidated and delinquent account to
11 a private collection agency or to the Department of Revenue as provided in ORS 293.250 not later
12 than:

13 (a) Ninety days from the date the account was liquidated if no payment has been received on
14 the account within the 90-day period; or

15 (b) Ninety days from the date of receipt of the most recent payment on the account.

16 (2) Nothing in subsection (1) of this section prohibits a state agency from offering for assignment
17 a liquidated and delinquent account to a private collection agency at any time within the 90-day
18 period.

19 (3) If, after a reasonable time, the private collection agency is unable to collect the account, the
20 private collection agency shall notify the state agency that assigned the account that it has been
21 unable to collect the account and shall relinquish the account to the state agency. A private col-
22 lection agency that collects an account under this section shall be held to the same standard of
23 confidentiality, service and courtesy imposed on the state agency that assigned the account.

24 (4) If a state agency assigns a liquidated and delinquent account to the Department of Revenue
25 as provided in ORS 293.250, the department shall have six months from the date of assignment to
26 collect a payment. If the department does not collect a payment within that six-month period or if
27 six months have elapsed since the date of receipt of the most recent payment on the account, the
28 department shall notify the state agency. The state agency shall then immediately offer for assign-
29 ment the debt to a private collection agency.

30 (5) The provisions of subsection (1) of this section do not apply to a liquidated and delinquent
31 account that is prohibited by state or federal law or regulation from assignment or collection.

32 (6) The Oregon Department of Administrative Services may adopt rules exempting specified
33 kinds of liquidated and delinquent accounts from the time periods established in subsections (1), (2)
34 and (4) of this section.

35 (7) The Oregon Department of Administrative Services shall adopt rules exempting liquidated
36 and delinquent accounts that originate in the Department of Revenue or the Employment Depart-
37 ment from the time periods established in subsections (1), (2) and (4) of this section.

38 (8) A liquidated and delinquent account that is subject to assignment under this section shall
39 be assigned to a private collection agency if more than one year has elapsed without a payment on
40 the account.

41 (9) Notwithstanding subsection (1) of this section, a state agency may, at its discretion, choose
42 not to offer for assignment to a private collection agency a liquidated and delinquent account that:

43 (a) Is secured by a consensual security interest in real or personal property;

44 (b) Is a court-ordered judgment that includes restitution or a payment to the Department of
45 Justice Crime Victims' Assistance Section;

1 (c) Is in litigation, including bankruptcy, arbitration and mediation;

2 (d) Is a student loan owed by a student who is attending school;

3 (e) Is owed to a state agency by a local or state government or by the federal government;

4 (f) Is owed by a debtor who is hospitalized in a state hospital as defined in ORS 162.135, who
5 receives public assistance as defined in ORS 411.010 or who receives medical assistance as defined
6 in ORS 414.025;

7 (g) Is owed by a debtor who is imprisoned;

8 (h) Is less than \$100, including penalties; or

9 (i) Would result in loss of federal funding if assigned.

10 (10) Nothing in this section prohibits a state agency from collecting a tax offset after a liqui-
11 dated and delinquent account is assigned to a private collection agency.

12 (11) For the purposes of this section, a state agency shall be deemed to have offered for as-
13 signment an account if:

14 (a) The terms of the offer are of a type generally acceptable within the collections industry for
15 the type of account offered for assignment; and

16 (b) The offer is made to a private collection agency that engages in collecting on accounts of
17 the type sought to be assigned or is made generally available to private collection agencies through
18 a bid or request for proposal process.

19 **(12)(a) A state agency that assigns a liquidated and delinquent account to the Department
20 of Revenue under ORS 293.250 may add a fee to be paid by the debtor to the amount of the
21 liquidated and delinquent account.**

22 **(b) A fee may not be added under this subsection unless the state agency has provided
23 notice to the debtor:**

24 **(A) Of the existence of the debt;**

25 **(B) That the debt may be assigned to the Department of Revenue for collection; and**

26 **(C) Of the amount of the fee that may be added to the debt under this subsection.**

27 [(12)] **(13)** A state agency that retains a private collection agency under this section may add
28 a fee to the amount of the liquidated and delinquent account as provided in ORS 697.105. A fee may
29 not be added under this subsection unless the state agency has provided notice to the debtor:

30 (a) Of the existence of the debt;

31 (b) That the debt may be assigned to a private collection agency for collection; and

32 (c) Of the amount of the fee that may be added to the debt under this subsection.

33 [(13)] **(14)** Except as provided by federal law, the state agency may not add a fee under sub-
34 section [(12)] **(13)** of this section that exceeds the collection fee of the private collection agency.

35 **SECTION 4.** ORS 293.240 is amended to read:

36 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to it, in-
37 cluding money owed on a liquidated and delinquent account that has been relinquished by a private
38 collection agency under ORS 293.231, and has determined that the money and any interest or pen-
39 alties on the money are uncollectible, the agency may write off the debt on its accounts.

40 (2) Before determining that money is uncollectible under subsection (1) of this section, a state
41 agency must adopt criteria for determining when money is uncollectible. The criteria must include
42 the right of offset and must be approved by the Attorney General.

43 **(3)(a) A state agency, the Department of Revenue collecting on an account under ORS
44 293.250 or a private collection agency collecting on an account under ORS 293.231, may pro-
45 pose and accept offers of compromise for settlement of a debt owed to a state agency. Before**

1 **proposing or accepting an offer of compromise, a state agency must adopt criteria for de-**
 2 **termining when offers of compromise may be made. The criteria must be approved by the**
 3 **Oregon Department of Administrative Services and the Attorney General, or by the Chief**
 4 **Justice in the case of all state courts and all commissions, departments and divisions in the**
 5 **judicial branch of state government.**

6 **(b) A private collection agency or the Department of Revenue shall accept an offer of**
 7 **compromise for settlement of a debt owed to a state agency:**

8 **(A) In accordance with the criteria adopted by the state agency to which the debt is**
 9 **owed; and**

10 **(B) With the authorization of the state agency to which the debt is owed.**

11 **(c) This subsection does not allow the compromise of a criminal money judgment that**
 12 **requires a defendant to pay restitution or a compensatory fine.**

13 [(3)] (4) This section does not apply to debts owed to a state agency for which a procedure for
 14 compromise, release, discharge, waiver, cancellation or other form of settlement for the debt for
 15 reasons other than uncollectibility is by law made specially applicable to the state agency.

16 **SECTION 5.** ORS 293.250 is amended to read:

17 293.250. (1) There is [*hereby*] created a Collections Unit in the Department of Revenue.

18 (2) The Department of Revenue may render assistance in the collection of any delinquent ac-
 19 count owing to any [*state officer, board, commission, corporation, institution, department or other state*
 20 *organization*] **state agency**, or to a county pursuant to a judgment obtained under ORS 169.151,
 21 assigned by the **state** agency or county to which the delinquent account is owed to the department
 22 [*of Revenue*] for collection. **The department may prescribe criteria for the kinds of accounts**
 23 **that may be assigned under this section, including a minimum dollar amount owed.**

24 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-
 25 lection of delinquent accounts owing to [*the respective officers, departments, boards and commissions*
 26 *of state government, and*] **state agencies** or to counties, the Department of Revenue shall render
 27 assistance in [*such*] **the** collection and shall charge [*such officers, agencies and*] **the state agencies**
 28 **or** counties separately for the cost of [*such*] assistance[, *provided that charges shall*]. **The charges**
 29 **may** not exceed the proceeds of collection credited to [*such officer,*] **the state** agency or county for
 30 the same biennium. The Department of Revenue may designate a single percentage to retain from
 31 the proceeds of collection as a charge for the cost of assistance. If the Department of Revenue finds
 32 that accounts assigned to the department [*of Revenue*] for collection by certain [*officers,*] **state**
 33 agencies or counties lack sufficient information to properly and efficiently identify the debtor or that
 34 the account information must be put into a form usable by the department [*of Revenue*] in order to
 35 efficiently provide collection services, the department [*of Revenue*] may establish a separate per-
 36 centage charge to be retained from collections for the [*officer,*] **state** agency or county. The charge
 37 must reflect the average of the actual cost to provide collection services for all accounts assigned
 38 by that [*officer,*] **state** agency or county.

39 **(b)** In providing assistance, the Department of Revenue shall [*utilize all means available*] **make**
 40 **all reasonable efforts** to collect the delinquent accounts including the setoff of any refunds or sums
 41 due to the debtor from the department [*of Revenue*] or any other state agency. The department [*of*
 42 *Revenue*] may offset any refunds or sums due to the debtor from the department or any other state
 43 agency against delinquent accounts assigned by a county to the department for collection under this
 44 section. [*The Department of Revenue may prescribe criteria for the kinds of accounts that may be as-*
 45 *signed under this section, including a minimum dollar amount owed.*]

1 [(b)] (c) No setoff [will] **may** be made by the Department of Revenue unless the debt is in a
2 liquidated amount.

3 [(c)] (d) When the Department of Revenue has notified the assigning **state** agency or county that
4 a refund or other sum due to the debtor is available for setoff, the debtor may arrange with the
5 department [of Revenue] **or county** for payment of the debt in full before the setoff is made. How-
6 ever, the assigning **state** agency or county [shall] **may** not enter into any agreement with the debtor
7 for payment of the debt before the setoff is made.

8 [(d)] (e) At the time any setoff is made, the debtor shall be notified by the Department of Re-
9 venue of its intention to apply sums due from a state agency against the debtor's delinquent account.
10 The notice shall provide that the debtor within 30 days may request a hearing before the claimant
11 **state** agency or county. No issues at the hearing may be considered that have been litigated pre-
12 viously, or if the debtor after being given due notice of rights of appeal has failed to exercise them
13 timely.

14 [(e)] (f) All moneys received by the Department of Revenue in payment of charges made under
15 paragraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscella-
16 neous receipts account for the department [of Revenue].

17 [(f)] (g) Net proceeds of collections of delinquent accounts shall be credited to the account or
18 fund of the [officer,] **state** agency or county to which the debt was originally owing.

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

22 (b) A warrant [shall] **may** not be issued under this subsection unless the debt is in a liquidated
23 amount.

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

27 (d) A warrant [shall] **may** not be issued under this subsection before the debtor has been noti-
28 fied that the department intends to issue the warrant and of the collection action that may be taken
29 under the warrant.

30 (5) Nothing in this section [shall prohibit] **prohibits** the collection of:

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

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

34 (6) **As used in this section:**

35 (a) **"State agency" means any state officer, board, commission, corporation, institution,**
36 **department or other state organization.**

37 (b) **"State agency" does not include the Secretary of State or the State Treasurer.**

38 **SECTION 6. (1) The Oregon Department of Administrative Services shall adopt policies:**

39 (a) **Providing guidance for the collection of liquidated and delinquent accounts owing to**
40 **state agencies.**

41 (b) **Setting procedures for state agencies to account for and manage information re-**
42 **garding the agency's liquidated and delinquent accounts.**

43 (c) **After consultation with the Attorney General, setting criteria for effective and effi-**
44 **cient assignment of liquidated and delinquent accounts to the Department of Revenue or**
45 **private collection agencies, and setting performance measurements to be used in the appli-**

1 cation of the criteria.

2 (d) For the allocation, form and amount of charges or fees added to liquidated and de-
3 linquent accounts under ORS 293.231, 293.250 and 697.105.

4 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from
5 adding or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the
6 addition or collection of the fees is not feasible given the agency resources available for col-
7 lection of accounts receivable.

8 (f) For the improvement of communications regarding liquidated and delinquent accounts
9 between state agencies, private collection agencies and the Department of Revenue.

10 (g) Describing conditions under which a state agency may request and collect Social Se-
11 curity numbers in accordance with state and federal law when it is reasonably foreseeable
12 that a person may owe the state agency a liquidated and delinquent amount as a result of a
13 transaction or activity.

14 (h) After consultation with the Attorney General, setting criteria under which state
15 agencies and private collection agencies may propose and accept offers of compromise as
16 provided in ORS 293.240.

17 (2) The Oregon Department of Administrative Services shall:

18 (a) Provide training to state agencies regarding processing and managing accounts
19 receivable in compliance with applicable law and state policies.

20 (b) Provide technical assistance to state agencies in resolving challenges in processing
21 and managing accounts receivable and developing financial administrative systems to im-
22 prove the handling of liquidated and delinquent accounts.

23 (3) As used in this section:

24 (a) "State agency" means any state officer, board, commission, corporation, institution,
25 department or other state organization.

26 (b) "State agency" does not include all state courts and all commissions, departments and
27 divisions in the judicial branch of state government, the Secretary of State and the State
28 Treasurer.

29 SECTION 7. (1) Subject to ORS 293.250, a state agency shall make all reasonable efforts
30 to collect delinquent accounts owing to the state agency, including the use of Social Security
31 numbers made available by state agencies pursuant to section 1 of this 2015 Act, and the
32 setoff of any refunds or sums due to the debtor from the state agency, the Department of
33 Revenue or from any other state agency.

34 (2) The Oregon Department of Administrative Services shall adopt rules establishing
35 procedures for the setoff of amounts between state agencies under this section. Prior to
36 adopting rules under this subsection, the Director of the Oregon Department of Adminis-
37 trative Services shall consult with the Chief Justice regarding the application of the rules
38 to state courts and all commissions, departments and divisions in the judicial branch of state
39 government.

40 (3) As used in this section:

41 (a) "State agency" means any state officer, board, commission, corporation, institution,
42 department or other state organization.

43 (b) "State agency" does not include the Secretary of State and the State Treasurer.

44 SECTION 8. (1) The Oregon Department of Administrative Services shall estimate in
45 advance the expenses that the department will incur during a biennium in carrying out the

1 provisions of sections 1 and 6 to 8 of this 2015 Act.

2 (2) The department shall charge each state agency for the agency's share of the expenses
3 described in subsection (1) of this section for the biennium. The department shall determine
4 the rate to be charged state agencies.

5 (3) Each state agency shall pay to the credit of the department the charge described in
6 this section as an administrative expense from funds or appropriations available to the state
7 agency in the same manner as other claims against the state agency are paid.

8 (4) All moneys received by the department under this section shall be credited to the
9 Delinquent Accounts Administration Fund established under section 9 of this 2015 Act.

10 (5) The department shall adopt rules specifying the methods for calculating and collecting
11 the rates and charges described in this section.

12 (6) As used in this section:

13 (a) "State agency" means any state officer, board, commission, corporation, institution,
14 department or other state organization.

15 (b) "State agency" does not include all state courts and all commissions, departments and
16 divisions in the judicial branch of state government, the Secretary of State and the State
17 Treasurer.

18 **SECTION 9.** (1) The Delinquent Accounts Administration Fund is established in the State
19 Treasury, separate and distinct from the General Fund. Interest earned by the Delinquent
20 Accounts Administration Fund shall be credited to the fund. Moneys in the fund are contin-
21 uously appropriated to the Oregon Department of Administrative Services for purposes of
22 administering sections 1 and 6 to 8 of this 2015 Act.

23 (2) The fund shall consist of:

24 (a) Moneys deposited in the fund pursuant to section 8 of this 2015 Act;

25 (b) Amounts donated to the fund;

26 (c) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
27 sembly; and

28 (d) Other amounts deposited in the fund from any source.

29 **SECTION 10.** ORS 137.118 is amended to read:

30 137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments
31 requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or
32 restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

33 (2)(a) The state may assign a judgment to the Department of Revenue or a private collection
34 agency.

35 (b) A justice court may assign a judgment to a private collection agency or, in a criminal action,
36 to the Department of Revenue for the purposes described in ORS 156.315.

37 (c) A municipal court may assign a judgment to:

38 (A) A private collection agency; or

39 (B) The Department of Revenue for the purposes described in subsections (6) to (8) of this sec-
40 tion, if the judgment was entered in a criminal action and part of the judgment is payable to the
41 State of Oregon.

42 (d) Nothing in this subsection limits the right of a municipal court or a justice court to assign
43 for collection judgments in matters other than criminal actions.

44 (3) A municipal or justice court may add to any judgment in a criminal action that includes a
45 monetary obligation a fee for the cost of collection if the court gives the defendant a period of time

1 to pay the obligation after the date of imposition of the sentence or after the date of the hearing
 2 or proceeding that results in the imposition of the financial obligation. The fee may not exceed 25
 3 percent of the monetary obligation imposed by the court without the addition of the cost of col-
 4 lection and may not be more than \$250. The fee shall be waived or suspended by the court if the
 5 defendant pays the monetary obligation in the manner required by the court.

6 (4) A state court shall add to any judgment in a criminal action that includes a monetary obli-
 7 gation the fees required by ORS 1.202.

8 (5) As used in subsections (1) to (5) of this section, "criminal action" has the meaning given that
 9 term in ORS 131.005.

10 (6) If part of a judgment in a criminal action, as described in subsections (1) to (5) of this sec-
 11 tion, is payable to the State of Oregon, a municipal court may assign the judgment to the Collections
 12 Unit in the Department of Revenue for the following purposes:

13 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

14 (b) To deduct the amount of debt from any refunds or other sums owed to the debtor by the
 15 department.

16 (7) If the Collections Unit determines that refunds or other sums are owed to the debtor, the
 17 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor
 18 by the department. After also deducting costs of its actions under subsections (6) to (8) of this sec-
 19 tion, the department shall remit the amount deducted from refunds or other sums owed to the debtor
 20 to the municipal court that assigned the judgment.

21 (8) A debtor whose account is assigned to the Department of Revenue for setoff under sub-
 22 sections (6) to (8) of this section is entitled to the notice required by ORS 293.250 [(3)(d)] (3)(e) and
 23 to the opportunity for payment in ORS 293.250 [(3)(c)] (3)(d).

24 **SECTION 11.** ORS 156.315 is amended to read:

25 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS
 26 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

27 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

28 (b) To deduct the amount of the debt from any refunds or other sums owed to the debtor by the
 29 department.

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

35 (3) A debtor whose account is assigned to the Department of Revenue for setoff under this sec-
 36 tion is entitled to the notice required by ORS 293.250 [(3)(d)] (3)(e) and to the opportunity for pay-
 37 ment in ORS 293.250 [(3)(c)] (3)(d).

38 **SECTION 12.** (1) **Sections 1 and 6 to 8 of this 2015 Act and the amendments to ORS**
 39 **137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by sections 2 to 5, 10 and 11 of this 2015**
 40 **Act become operative January 1, 2016.**

41 (2) **The Oregon Department of Administrative Services, the Department of Revenue or**
 42 **any other state agency may take any action before the operative date specified in subsection**
 43 **(1) of this section that is necessary for the department or state agency to exercise, on or**
 44 **after the operative date specified in subsection (1) of this section, all the duties, functions**
 45 **and powers conferred on the department or state agency by sections 1 and 6 to 8 of this 2015**

1 Act and the amendments to ORS 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by
2 sections 2 to 5, 10 and 11 of this 2015 Act.

3 **SECTION 13.** This 2015 Act being necessary for the immediate preservation of the public
4 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
5 on its passage.
6
