

B-Engrossed
Senate Bill 55

Ordered by the Senate July 1
Including Senate Amendments dated May 18 and July 1

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

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.

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 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. **Requires annual report prepared by Legislative Fiscal Office to list separately information about liquidated and delinquent accounts of Secretary of State, State Treasurer, state agencies in executive branch and judicial branch. Includes previously exempt public corporations and semi-independent state agencies in liquidated and delinquent debt reporting requirements.**

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 **monitor state agency debt collection functions and assist state agencies to improve collection of delinquent debts through training, technical assistance and performance standards. Requires department to submit annual management report to Legislative Assembly. Directs department 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.

Clarifies when specific provisions apply to Secretary of State, State Treasurer and judicial branch.

Limits biennial expenditures by Oregon Department of Administrative Services from Delinquent Accounts Administration Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to debt collection; creating new provisions; amending ORS 1.195, 137.118, 156.315, 293.229,
3 293.231, 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**
7 **to any monetary obligation or transaction may include on the document a notice disclosing**
8 **that the Social Security number may be used for state agency debt collection activities.**

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

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

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

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

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

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

17 **(6) Rules adopted under subsection (2) of this section do not apply to state courts and**
18 **commissions, departments and divisions in the judicial branch of state government, the**
19 **Secretary of State or the State Treasurer.**

20 **(7) Except as provided in subsection (6) of this section, as used in this section, "state**
21 **agency" means any state officer, board, commission, corporation, institution, department or**
22 **other state organization.**

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

24 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report
25 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent
26 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the
27 previous fiscal year. The report required under this subsection shall be in a form prescribed by the
28 Legislative Fiscal Office and shall include but not be limited to:

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

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

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

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

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

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

37 (g) Total number and total amount of all liquidated and delinquent accounts exempted under
38 ORS 293.233; **and**

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

44 (2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of
45 each fiscal year on the status of liquidated and delinquent accounts of state agencies **and the ju-**

1 **dicial branch of state government.** The report shall be based on the reports submitted by state
2 agencies as required in this section **and on reports submitted by the judicial branch of state**
3 **government under ORS 1.195.**

4 **(3) The report required under subsection (2) of this section shall:**

5 **(a) List those state agencies, including the judicial branch of state government, that have**
6 **liquidated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or**
7 **are otherwise prohibited or exempted by law from assignment, for which no payment has**
8 **been received for more than 90 days and that have not been assigned to a private collection**
9 **agency or to the Department of Revenue under ORS 1.197 or 293.231;**

10 **(b) List separately information about the liquidated and delinquent accounts of the Sec-**
11 **retary of State, the State Treasurer, other state agencies in the executive branch of state**
12 **government and the judicial branch of state government; and**

13 **(c) Include any other information the Legislative Fiscal Office determines is necessary**
14 **to describe the status of liquidated and delinquent accounts across offices and branches of**
15 **state government.**

16 **(4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753**
17 **and 757.552, for purposes of this section, “state agency” also includes semi-independent state**
18 **agencies listed in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video**
19 **Office, the Travel Information Council, the Children’s Trust Fund of Oregon Foundation,**
20 **Oregon Corrections Enterprises, Oregon Health and Science University, the State Accident**
21 **Insurance Fund Corporation, the Oregon Utility Notification Center and public universities**
22 **listed in ORS 352.002.**

23 **SECTION 2a.** ORS 1.195 is amended to read:

24 1.195. (1) Not later than October 1 of each fiscal year, all state courts and all commissions, de-
25 partments and divisions in the judicial branch of state government shall submit reports to the Leg-
26 islative Fiscal Office that describe the status of the liquidated and delinquent accounts of the
27 judicial branch of state government, and the efforts made to collect those liquidated and delinquent
28 accounts during the immediately preceding fiscal year. The reports required under this subsection
29 shall be in a form prescribed by the Legislative Fiscal Office and shall include but not be limited
30 to:

31 (a) The total number of all liquidated and delinquent accounts, and the balance for those ac-
32 counts, at the beginning of the fiscal year;

33 (b) The total number of all liquidated and delinquent accounts, and the balance for those ac-
34 counts, at the end of the fiscal year;

35 (c) The liquidated and delinquent accounts that have been added during the immediately pre-
36 ceding fiscal year;

37 (d) The total amount collected on liquidated and delinquent accounts during the immediately
38 preceding fiscal year;

39 (e) The total amount and total number of liquidated and delinquent accounts that have been
40 written off during the immediately preceding fiscal year;

41 (f) The total amount and total number of liquidated and delinquent accounts that have been as-
42 signed for collection, and the collection efforts made for those accounts, during the immediately
43 preceding fiscal year;

44 (g) The total amount and total number of liquidated and delinquent accounts that have been
45 turned over to private collection agencies under ORS 1.197 and the total amount that has been

1 collected by those agencies during the immediately preceding fiscal year;

2 (h) The total amount and total number of accounts that have ceased to be liquidated and delin-
3 quent during the fiscal year for reasons other than having been collected or written off;

4 (i) The total number and total amount of all liquidated and delinquent accounts that have been
5 exempted under ORS 1.199; *[and]*

6 (j) **A statement indicating whether the reporting state court, commission, department
7 or division in the judicial branch of state government has liquidated and delinquent accounts
8 that are not exempt under ORS 1.198 or 1.199, or are otherwise prohibited or exempted by
9 law from assignment, for which no payment has been received for more than 90 days and
10 that have not been assigned to a private collection agency or to the Department of Revenue
11 under ORS 1.197; and**

12 *[(j)]* (k) Any other information necessary to inform the Legislative Fiscal Office of the status
13 of the liquidated and delinquent accounts of the judicial branch of state government.

14 (2) The Legislative Fiscal Office shall *[produce an annual report, not later than December 31 of*
15 *each fiscal year,]* **include information** on the status of the liquidated and delinquent accounts of the
16 judicial branch of state government **in the annual report required under ORS 293.229**. The *[an-*
17 *nual report]* **information** shall be based on the reports submitted under subsection (1) of this sec-
18 tion.

19 (3) The reports required under subsection (1) of this section may be made by the State Court
20 Administrator on behalf of some or all of the state courts and on behalf of some or all of the com-
21 missions, departments and divisions in the judicial branch of state government.

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

23 293.231. (1) Except as provided in subsections (4) to (9) of this section, a state agency, unless
24 otherwise prohibited by law, shall offer for assignment every liquidated and delinquent account to
25 a private collection agency or to the Department of Revenue as provided in ORS 293.250 not later
26 than:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 [(12)] **(13)** A state agency that retains a private collection agency under this section may add
42 a fee to the amount of the liquidated and delinquent account as provided in ORS 697.105. A fee may
43 not be added under this subsection unless the state agency has provided notice to the debtor:

44 (a) Of the existence of the debt;

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

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

2 [(13)] (14) Except as provided by federal law, the state agency may not add a fee under sub-
3 section [(12)] (13) of this section that exceeds the collection fee of the private collection agency.

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

5 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to it, in-
6 cluding money owed on a liquidated and delinquent account that has been relinquished by a private
7 collection agency under ORS 293.231, and has determined that the money and any interest or pen-
8 alties on the money are uncollectible, the agency may write off the debt on its accounts.

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

12 (3)(a) **A state agency, the Department of Revenue collecting on an account under ORS**
13 **293.250 or a private collection agency collecting on an account under ORS 293.231, may pro-**
14 **pose and accept offers of compromise for settlement of a debt owed to a state agency. Before**
15 **proposing or accepting an offer of compromise, a state agency must adopt criteria for de-**
16 **termining when offers of compromise may be made. The criteria must be approved by:**

17 (A) **The Attorney General in the case of the Secretary of State and State Treasurer;**

18 (B) **The Chief Justice in the case of all state courts and all commissions, departments**
19 **and divisions in the judicial branch of state government; or**

20 (C) **The Oregon Department of Administrative Services and the Attorney General in the**
21 **case of other state agencies.**

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

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

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

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

29 [(3)] (4) This section does not apply to debts owed to a state agency for which a procedure for
30 compromise, release, discharge, waiver, cancellation or other form of settlement for the debt for
31 reasons other than uncollectibility is by law made specially applicable to the state agency.

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

33 293.250. (1) There is [*hereby*] created a Collections Unit in the Department of Revenue.

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

40 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-
41 lection of delinquent accounts owing to [*the respective officers, departments, boards and commissions*
42 *of state government, and*] **state agencies** or to counties, the Department of Revenue shall render
43 assistance in [*such*] **the** collection and shall charge [*such officers, agencies and*] **the state agencies**
44 **or** counties separately for the cost of [*such*] assistance[, *provided that charges shall*]. **The charges**
45 **may** not exceed the proceeds of collection credited to [*such officer,*] **the state** agency or county for

1 the same biennium. The Department of Revenue may designate a single percentage to retain from
 2 the proceeds of collection as a charge for the cost of assistance. If the Department of Revenue finds
 3 that accounts assigned to the department [*of Revenue*] for collection by certain [*officers,*] **state**
 4 agencies or counties lack sufficient information to properly and efficiently identify the debtor or that
 5 the account information must be put into a form usable by the department [*of Revenue*] in order to
 6 efficiently provide collection services, the department [*of Revenue*] may establish a separate per-
 7 centage charge to be retained from collections for the [*officer,*] **state** agency or county. The charge
 8 must reflect the average of the actual cost to provide collection services for all accounts assigned
 9 by that [*officer,*] **state** agency or county.

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (6) **As used in this section, “state agency” means any state officer, board, commission,
6 corporation, institution, department or other state organization.**

7 **SECTION 6. (1) The Oregon Department of Administrative Services shall monitor state
8 agency debt collection functions described by law and assist state agencies in efforts to im-
9 prove the collection of delinquent debts owed to state agencies. The department’s duties
10 under this subsection include, but are not limited to:**

11 (a) **Providing training to state agencies regarding processing and managing accounts
12 receivable in compliance with applicable law and state policies.**

13 (b) **Providing technical assistance to state agencies in resolving challenges in processing
14 and managing accounts receivable and developing financial administrative systems to im-
15 prove the handling of liquidated and delinquent accounts.**

16 (c) **Developing performance standards for state debt collection, including but not limited
17 to standards defining what constitutes liquidated and delinquent accounts and when state
18 agencies may write off debt pursuant to ORS 293.240.**

19 (d) **Working with state agencies to improve the quality and value of data that each state
20 agency submits to the Legislative Fiscal Office for purposes of ORS 293.229.**

21 (e) **Submitting an annual management report to the Legislative Assembly not later than
22 December 31 of each fiscal year, in conjunction with the report of the Legislative Fiscal Of-
23 fice produced under ORS 293.229, that identifies important issues and significant trends in
24 state agency debt collection practices and describes and evaluates efforts by state agencies
25 to improve the collection of delinquent debt.**

26 (2) **The department shall adopt policies:**

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

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

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

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

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

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

43 (g) **Describing conditions under which a state agency may request and collect Social Se-
44 curity numbers in accordance with state and federal law when it is reasonably foreseeable
45 that a person may owe the state agency a liquidated and delinquent amount as a result of a**

1 transaction or activity.

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

5 (3) As used in this section:

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

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

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

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

22 (3) Rules adopted under subsection (2) of this section do not apply to the Secretary of
23 State or the State Treasurer.

24 (4) Except as provided in subsection (3) of this section, as used in this section, "state
25 agency" means any state officer, board, commission, corporation, institution, department or
26 other state organization.

27 **SECTION 8.** (1) The Oregon Department of Administrative Services shall estimate in
28 advance the expenses that the department will incur during a biennium in carrying out the
29 provisions of sections 1 and 6 to 8 of this 2015 Act.

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

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

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

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

40 (6) 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 all state courts and all commissions, departments and
44 divisions in the judicial branch of state government, the Secretary of State and the State
45 Treasurer.

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

6 **(2) The fund shall consist of:**

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

8 **(b) Amounts donated to the fund;**

9 **(c) Amounts appropriated or otherwise transferred to the fund by the Legislative As-**
10 **sembly; and**

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

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

13 137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments
14 requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or
15 restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

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

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

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

21 (A) A private collection agency; or

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

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

27 (3) A municipal or justice court may add to any judgment in a criminal action that includes a
28 monetary obligation a fee for the cost of collection if the court gives the defendant a period of time
29 to pay the obligation after the date of imposition of the sentence or after the date of the hearing
30 or proceeding that results in the imposition of the financial obligation. The fee may not exceed 25
31 percent of the monetary obligation imposed by the court without the addition of the cost of col-
32 lection and may not be more than \$250. The fee shall be waived or suspended by the court if the
33 defendant pays the monetary obligation in the manner required by the court.

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

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

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

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

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

44 (7) If the Collections Unit determines that refunds or other sums are owed to the debtor, the
45 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor

1 by the department. After also deducting costs of its actions under subsections (6) to (8) of this sec-
2 tion, the department shall remit the amount deducted from refunds or other sums owed to the debtor
3 to the municipal court that assigned the judgment.

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

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

8 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS
9 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

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

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

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

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

21 **SECTION 12.** (1) Sections 1 and 6 to 8 of this 2015 Act and the amendments to ORS 1.195,
22 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by sections 2 to 5, 10 and 11 of this 2015
23 Act become operative January 1, 2016.

24 (2) The Oregon Department of Administrative Services, the Department of Revenue or
25 any other state agency may take any action before the operative date specified in subsection
26 (1) of this section that is necessary for the department or state agency to exercise, on or
27 after the operative date specified in subsection (1) of this section, all the duties, functions
28 and powers conferred on the department or state agency by sections 1 and 6 to 8 of this 2015
29 Act and the amendments to ORS 1.195, 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250
30 by sections 2 to 5, 10 and 11 of this 2015 Act.

31 **SECTION 13.** Notwithstanding any other law limiting expenditures, the amount of
32 \$660,474 is established for the biennium beginning July 1, 2015, as the maximum limit for
33 payment of expenses by the Oregon Department of Administrative Services from the Delin-
34 quent Accounts Administration Fund established by section 9 of this 2015 Act for purposes
35 of administering sections 1 and 6 to 8 of this 2015 Act.

36 **SECTION 14.** This 2015 Act being necessary for the immediate preservation of the public
37 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
38 on its passage.