

# Senate Bill 55

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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 **as introduced**.

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.

Requires that annual state agency report to Legislative Fiscal Office on liquidated and delinquent accounts include total number and amount of 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 or private collection agencies to propose and accept offers of compromise for settlement of debt owed to state agency.

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

Relating to debt collection; creating new provisions; amending ORS 137.118, 156.315, 293.229, 293.231, 293.240, 293.245 and 293.250; and declaring an emergency.

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

**SECTION 1. (1) Whenever it is reasonably foreseeable that the execution of an application, form or other instrument used by a state agency may result in the person executing the application, form or instrument owing the state agency more than \$100, the state agency shall request the Social Security number of the person. The state agency shall segregate the Social Security number on a separate page from the rest of the application, form or other instrument or take other action to allow the Social Security number to be easily redacted pursuant to a valid public records request. The request for a Social Security number required by this subsection shall be accompanied by the following notice:**

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**Your Social Security number is being solicited pursuant to section 1 of this 2015 Act. The number may be used for debt collection activities, to conduct a credit check or to discover more information about you in the event that you owe a delinquent debt to the State of Oregon or a local government in the state of Oregon.**

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**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       (2) For any application, form or other instrument for which a state agency is not au-  
3 thORIZED by law to collect Social Security numbers for a purpose other than collection of a  
4 debt owed to a state agency or a local government as defined in ORS 174.116, the notice de-  
5 scribed in subsection (1) of this section shall also include the phrase "Disclosure of your  
6 Social Security number is voluntary."

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

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

16       (5) As used in this section, "state agency" means any state officer, board, commission,  
17 corporation, institution, department or other state organization.

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

19       293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report  
20 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent  
21 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the  
22 previous fiscal year. The report required under this subsection shall be in a form prescribed by the  
23 Legislative Fiscal Office and shall include but not be limited to:

- 24       (a) Beginning balance and total number of all liquidated and delinquent accounts;  
25       (b) New liquidated and delinquent accounts added during the last preceding fiscal year;  
26       (c) Total collections of liquidated and delinquent accounts;  
27       (d) Total amount and total number of liquidated and delinquent accounts that have been written  
28 off;  
29       (e) Total number and ending balance of all liquidated and delinquent accounts;  
30       (f) Total amount of liquidated and delinquent accounts turned over to private collection agencies  
31 and total amount collected by those agencies under ORS 293.231; [*and*]  
32       (g) Total number and total amount of all liquidated and delinquent accounts exempted under  
33 ORS 293.233; **and**

34       **(h) Total number and total amount of liquidated and delinquent accounts that are not**  
35 **exempt under ORS 293.233, for which no payment has been received for more than 90 days**  
36 **and that have not been assigned to a private collection agency or to the Department of Re-**  
37 **venue under ORS 293.231.**

38       (2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of  
39 each fiscal year on the status of liquidated and delinquent accounts of state agencies. The report  
40 shall be based on the reports submitted by state agencies as required in this section **and shall in-**  
41 **clude the total number and total amount of liquidated and delinquent accounts that are not**  
42 **exempt under ORS 293.233, for which no payment has been received for more than 90 days**  
43 **and that have not been assigned to a private collection agency or to the Department of Re-**  
44 **venue under ORS 293.231.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 **(12) A state agency that retains a private collection agency under this section shall add**  
12 **a fee to be paid by the debtor to the amount of the liquidated and delinquent account. The**  
13 **fee shall be in an amount specified by the Oregon Department of Administrative Services by**  
14 **rule. The state agency shall deposit fees collected under this subsection in the Delinquent**  
15 **Accounts Training Fund established by section 8 of this 2015 Act.**

16 [(12)] (13) A state agency that retains a private collection agency under this section may add  
17 a fee to the amount of the liquidated and delinquent account as provided in ORS 697.105. A fee may  
18 not be added under this subsection unless the state agency has provided notice to the debtor:

19 (a) Of the existence of the debt;

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

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

22 [(13)] (14) Except as provided by federal law, the state agency may not add a fee under sub-  
23 section (12) or (13) of this section that exceeds the collection fee of the private collection agency.

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

25 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to it, in-  
26 cluding money owed on a liquidated and delinquent account that has been relinquished by a private  
27 collection agency under ORS 293.231, and has determined that the money and any interest or pen-  
28 alties on the money are uncollectible, the agency may write off the debt on its accounts.

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

32 **(3) A state agency or a private collection agency collecting on an account under ORS**  
33 **293.231 may propose and accept offers in compromise for settlement of a debt owed to a state**  
34 **agency. Before accepting an offer in compromise, a state agency must adopt criteria for de-**  
35 **termining when offers of compromise may be made. The criteria must be approved by the**  
36 **Oregon Department of Administrative Services and the Attorney General.**

37 [(3)] (4) This section does not apply to debts owed to a state agency for which a procedure for  
38 compromise, release, discharge, waiver, cancellation or other form of settlement for the debt for  
39 reasons other than uncollectibility is by law made specially applicable to the state agency.

40 **SECTION 5.** ORS 293.245 is amended to read:

41 293.245. (1) If a debt previously written off pursuant to ORS 293.240 subsequently becomes  
42 collectible, the state agency to which the money is owed shall proceed to collect the money due.  
43 The agency shall credit the money so collected to the accounts or funds to which the debt was or-  
44 iginally owing.

45 **(2) Subsection (1) of this section does not apply to debts that are settled by compromise**

1 **under ORS 293.240 (3).**

2 **SECTION 6.** ORS 293.250 is amended to read:

3 293.250. (1) There is [*hereby*] created a Collections Unit in the Department of Revenue.

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

11 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-  
12 lection of delinquent accounts owing to [*the respective officers, departments, boards and commissions*  
13 *of state government, and*] **state agencies** or to counties, the Department of Revenue shall render  
14 assistance in [*such*] **the** collection and shall charge [*such officers, agencies and*] **the state agencies**  
15 **or** counties separately for the cost of [*such*] assistance[, *provided that charges shall*]. **The charges**  
16 **may** not exceed the proceeds of collection credited to [*such officer,*] **the state** agency or county for  
17 the same biennium. The Department of Revenue may designate a single percentage to retain from  
18 the proceeds of collection as a charge for the cost of assistance. If the Department of Revenue finds  
19 that accounts assigned to the department [*of Revenue*] for collection by certain [*officers,*] **state**  
20 agencies or counties lack sufficient information to properly and efficiently identify the debtor or that  
21 the account information must be put into a form usable by the department [*of Revenue*] in order to  
22 efficiently provide collection services, the department [*of Revenue*] may establish a separate per-  
23 centage charge to be retained from collections for the [*officer,*] **state** agency or county. The charge  
24 must reflect the average of the actual cost to provide collection services for all accounts assigned  
25 by that [*officer,*] **state** agency or county.

26 **(b) In addition to the charges imposed under paragraph (a) of this subsection, the De-**  
27 **partment of Revenue shall add a fee to be paid by the debtor to the amount of the delinquent**  
28 **account. The fee shall be in an amount specified by the Oregon Department of Administra-**  
29 **tive Services by rule. The Department of Revenue shall deposit fees collected under this**  
30 **paragraph in the Delinquent Accounts Training Fund established by section 8 of this 2015**  
31 **Act.**

32 (c) In providing assistance, the Department of Revenue shall utilize all means available to col-  
33 lect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the  
34 department [*of Revenue*] or any other state agency. The department [*of Revenue*] may offset any re-  
35 funds or sums due to the debtor from the department or any other state agency against delinquent  
36 accounts assigned by a county to the department for collection under this section.

37 [*The Department of Revenue may prescribe criteria for the kinds of accounts that may be assigned*  
38 *under this section, including a minimum dollar amount owed.*]

39 **(d) The Department of Revenue may offset any refunds or sums due to a debtor from the**  
40 **department or any other state agency against delinquent accounts of a county or city. Debts**  
41 **owed to any state agency, or to a county pursuant to a judgment obtained under ORS 169.151,**  
42 **take priority for setoff over debts owed to a county or city.**

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

45 [*(c)*] **(f) When the Department of Revenue has notified the assigning **state** agency or a county**

1 **or city** that a refund or other sum due to the debtor is available for setoff, the debtor may arrange  
 2 with the Department of Revenue, **or county or city**, for payment of the debt in full before the setoff  
 3 is made. However, the assigning **state** agency or county shall not enter into any agreement with the  
 4 debtor for payment of the debt before the setoff is made.

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

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

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

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

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

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

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

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

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

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

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

33 **SECTION 7. (1) The Oregon Department of Administrative Services shall:**

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

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

39 (c) **Adopt rules setting criteria for effective and efficient assignment of liquidated and**  
 40 **delinquent accounts to the Department of Revenue or private collection agencies, and setting**  
 41 **performance measurements to be used in the application of the criteria.**

42 (d) **Adopt rules for the allocation of charges or fees added to liquidated and delinquent**  
 43 **accounts under ORS 291.231, 291.250 and 697.105 when debtors make partial payments or**  
 44 **payments in compromise.**

45 (e) **Adopt rules for the maintenance of information that identifies debtors, and for the**

1 improvement of communications between creditor state agencies, private collection agencies  
2 and the Department of Revenue.

3 (f) Adopt rules, after consultation with the Attorney General, setting criteria under  
4 which state agencies may accept offers in compromise as provided in ORS 293.240.

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

7 **SECTION 8.** (1) The Delinquent Accounts Training Fund is established in the State  
8 Treasury, separate and distinct from the General Fund. Interest earned by the Delinquent  
9 Accounts Training Fund shall be credited to the fund. Moneys in the fund are continuously  
10 appropriated to the Oregon Department of Administrative Services for purposes of adminis-  
11 tering section 7 of this 2015 Act.

12 (2) The fund shall consist of:

13 (a) Fees collected by state agencies or the Department of Revenue and dedicated to the  
14 fund under ORS 293.231 and 293.250;

15 (b) Amounts donated to the fund;

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

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

19 **SECTION 9.** As used in sections 9 to 13 of this 2015 Act:

20 (1) "Debt" means any delinquent account owing to any unit of state government as de-  
21 fined in ORS 174.111 or a federal nontax debt certified by a federal official.

22 (2) "Federal official" means a unit or official of the federal government that:

23 (a) Is charged with the collection of nontax liabilities payable to the federal government;  
24 and

25 (b) Has the authority to make offsets under an offset agreement.

26 (3) "Offset agreement" means an agreement between the Oregon Department of Admin-  
27 istrative Services and the Secretary of the Treasury of the United States as authorized by  
28 section 10 of this 2015 Act.

29 (4)(a) "State payments" means any refunds, including tax refunds, or amounts due to the  
30 debtor from any unit of state government as defined in ORS 174.111, including any vendor  
31 or contractor payments made by the state to any person.

32 (b) "State payments" does not include salary, wages, pension payments or any other type,  
33 class or amount of payment that the Oregon Department of Administrative Services desig-  
34 nates by rule as not subject to an offset agreement.

35 (5) "Tax refund" means a tax refund from the Department of Revenue.

36 **SECTION 10.** (1) Notwithstanding any other law, the Oregon Department of Administra-  
37 tive Services may enter into an offset agreement with the Secretary of the Treasury of the  
38 United States to participate in a reciprocal Treasury Offset Program under 31 U.S.C. 3716 for  
39 the collection of any debts owed to the state or to state agencies from federal payments to  
40 vendors, contractors and taxpayers.

41 (2) The offset agreement may provide for the federal government to submit nontax debts  
42 owed to federal agencies for offset against state payments otherwise due and owing to tax-  
43 payers and to vendors and contractors providing goods or services to this state or to any  
44 unit of state government as defined in ORS 174.111.

45 **SECTION 11.** If the Oregon Department of Administrative Services enters into an offset

1 agreement under section 10 of this 2015 Act, a federal official may do the following as pro-  
2 vided in the offset agreement:

3 (1) Certify to the department the existence of a person's delinquent nontax debt owed by  
4 the person to the federal government, by providing:

5 (a) The full name and address of the person and any other names known to be used by  
6 the person;

7 (b) The person's Social Security number or federal tax identification number;

8 (c) The amount of the person's federal nontax debt;

9 (d) A statement certifying that the person's federal nontax debt is past due, that due  
10 process has been provided to the person and that the person's federal nontax debt is legally  
11 enforceable in the amount certified, which may be provided in procedures for certifying  
12 payments as specified in the offset agreement; and

13 (e) Any other information required by the offset agreement.

14 (2) Request that the department withhold any state payment to which the person is en-  
15 titled.

16 (3) Retain a part of the proceeds of any federal administrative setoff authorized by the  
17 federal offset program.

18 **SECTION 12.** The following apply if the Oregon Department of Administrative Services  
19 enters into an offset agreement under section 10 of this 2015 Act:

20 (1) The department shall do the following as provided in the offset agreement:

21 (a) Determine if a person whose name has been certified by a federal official is due a  
22 state payment;

23 (b) Withhold a state payment that is due to a person whose name has been certified by  
24 a federal official;

25 (c) Notify the person from whom a state payment is withheld under this section of the  
26 amount withheld; and

27 (d) Pay to the federal official making the certification under section 11 of this 2015 Act  
28 the lesser of the entire state payment withheld or the amount certified by the federal official.

29 (2) If the amount certified by the federal official under section 11 of this 2015 Act is less  
30 than a state payment due to the person, the Oregon Department of Administrative Services  
31 shall pay to the person the part of the state payment due to the person that exceeds the  
32 certified amount, less any fee imposed pursuant to section 13 of this 2015 Act.

33 (3) If an individual filed a joint income tax return and the debt certified by a federal of-  
34 ficial is not the liability of both parties to the joint income tax return, the Oregon Depart-  
35 ment of Administrative Services may not withhold or pay to the federal official the part of  
36 any income tax refund attributable to the individual not owing the debt. The department  
37 shall notify taxpayers filing a joint income tax return of a proposed offset of a state income  
38 tax refund for a debt certified by a federal official. A taxpayer that filed a joint income tax  
39 return and receives the notice may, not more than 60 days after the notice is sent, notify  
40 the department in writing that the taxpayer asserts that a part of the income tax refund is  
41 attributable to the individual not owing the debt. If a taxpayer that is a party to the joint  
42 income tax return does not notify the department of the assertion not more than 60 days  
43 after the department's notice is sent, all of the income tax refund is considered attributable  
44 to the individual owing the debt.

45 (4) The Oregon Department of Administrative Services may do the following as provided



1 in an offset agreement entered into under section 10 of this 2015 Act:

2 (a) Certify to a federal official a person's delinquent debt owed to the state by providing  
3 the federal official:

4 (A) The full name and address of the person and any other names known to be used by  
5 the person;

6 (B) The person's Social Security number or federal tax identification number;

7 (C) The amount of the person's debt owed to the state;

8 (D) A statement certifying that the person's debt is past due, that due process has been  
9 provided to the person and that the person's debt is legally enforceable in the amount cer-  
10 tified, which may be provided in procedures for certifying payments as specified in the offset  
11 agreement; and

12 (E) Any other information required by state law or rules applicable to the collection of  
13 the debt by offset of federal payments or required by the offset agreement.

14 (b) Request that the federal official withhold from any federal payment to which the  
15 person is entitled the lesser of the entire federal payment or the amount certified by the  
16 Oregon Department of Administrative Services.

17 (5) If the amount certified by the department under subsection (4) of this section is less  
18 than a federal payment due to the person, the federal official may pay to the person the part  
19 of the federal payment due to the person that exceeds the certified amount, less any fee  
20 imposed pursuant to section 13 of this 2015 Act.

21 **SECTION 13.** (1) The Oregon Department of Administrative Services by rule may estab-  
22 lish a reasonable administrative fee to be charged to a person for the provision of the state  
23 offset of a federal debt or the federal offset of a state debt.

24 (2) A fee authorized by this section is a separate debt and may be withheld from any re-  
25 fund, reimbursement or other money held for the person.

26 (3) The department may charge the person who is the subject of the state offset of a  
27 federal debt or the federal offset of a state debt the fee authorized by this section.

28 (4) Any fees collected under this section may be retained by the department and used for  
29 the costs of administering the offset program entered into under section 10 of this 2015 Act,  
30 including reporting.

31 **SECTION 14.** ORS 137.118 is amended to read:

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

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

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

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

40 (A) A private collection agency; or

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

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

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

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

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

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

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

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

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

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

26 **SECTION 15.** ORS 156.315 is amended to read:

27 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS  
28 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

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

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

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

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

40 **SECTION 16.** (1) **Sections 1 and 7 to 13 of this 2015 Act and the amendments to ORS**  
41 **137.118, 156.315, 293.229, 293.231, 293.240, 293.245 and 293.250 by sections 2 to 6, 14 and 15 of**  
42 **this 2015 Act become operative January 1, 2016.**

43 **(2) The Oregon Department of Administrative Services, any other state agency or a**  
44 **county or city may take any action before the operative date specified in subsection (1) of**  
45 **this section that is necessary for the department, state agency, county or city to exercise,**

1 on or after the operative date specified in subsection (1) of this section, all the duties, func-  
2 tions and powers conferred on the department, state agency, county or city by this 2015 Act.

3 SECTION 17. 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.  
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