

## SENATE AMENDMENTS TO SENATE BILL 55

By COMMITTEE ON RULES

May 18

1 On page 1 of the printed bill, line 3, delete “, 293.245”.

2 Delete lines 5 through 19.

3 On page 2, delete lines 1 through 17 and insert:

4 **“SECTION 1. (1) Subject to subsection (2) of this section, a state agency that requests a**  
5 **person to voluntarily supply the person’s Social Security number on any document relating**  
6 **to any monetary obligation or transaction may include on the document a notice disclosing**  
7 **that the Social Security number may be used for state agency debt collection activities.**

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

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

11 **“(b) Setting procedures for the sharing of Social Security numbers between state agen-**  
12 **cies and private collection agencies for the purpose of collecting debts owed state agencies.**

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

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

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

24 **“(6) As used in this section:**

25 **“(a) ‘State agency’ means any state officer, board, commission, corporation, institution,**  
26 **department or other state organization.**

27 **“(b) ‘State agency’ does not include all state courts and all commissions, departments**  
28 **and divisions in the judicial branch of state government, the Secretary of State and the State**  
29 **Treasurer.”.**

30 Delete lines 34 through 37 and insert:

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

35 In lines 40 through 44, delete the boldfaced material and insert “and shall list those state

1 agencies that have liquidated and delinquent accounts that are not exempt under ORS 293.233, or  
2 are otherwise prohibited or exempted by law from assignment, for which no payment has been re-  
3 ceived for more than 90 days and that have not been assigned to a private collection agency or to  
4 the Department of Revenue under ORS 293.231”.

5 On page 4, delete lines 11 through 15 and insert:

6 “(12)(a) A state agency that assigns a liquidated and delinquent account to the Department of  
7 Revenue under ORS 293.250 may add a fee to be paid by the debtor to the amount of the liquidated  
8 and delinquent account.

9 “(b) A fee may not be added under this subsection unless the state agency has provided notice  
10 to the debtor:

11 “(A) Of the existence of the debt;

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

13 “(C) Of the amount of the fee that may be added to the debt under this subsection.”.

14 In line 23, delete “(12) or”.

15 Delete lines 32 through 36 and insert:

16 “(3)(a) A state agency, the Department of Revenue collecting on an account under ORS 293.250  
17 or a private collection agency collecting on an account under ORS 293.231, may propose and accept  
18 offers of compromise for settlement of a debt owed to a state agency. Before proposing or accepting  
19 an offer of compromise, a state agency must adopt criteria for determining when offers of compro-  
20 mise may be made. The criteria must be approved by the Oregon Department of Administrative  
21 Services and the Attorney General, or by the Chief Justice in the case of all state courts and all  
22 commissions, departments and divisions in the judicial branch of state government.

23 “(b) A private collection agency or the Department of Revenue shall accept an offer of com-  
24 promise for settlement of a debt owed to a state agency:

25 “(A) In accordance with the criteria adopted by the state agency to which the debt is 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 requires  
28 a defendant to pay restitution or a compensatory fine.”.

29 Delete lines 40 through 45 and delete pages 5 through 8.

30 On page 9, delete lines 1 through 30 and insert:

31 “**SECTION 5.** ORS 293.250 is amended to read:

32 “293.250. (1) There is [*hereby*] created a Collections Unit in the Department of Revenue.

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

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

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

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

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

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

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

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

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

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

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

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

42 “(d) A warrant [*shall*] **may** not be issued under this subsection before the debtor has been no-  
43 tified that the department intends to issue the warrant and of the collection action that may be  
44 taken under the warrant.

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

1       “(a) A child or spousal support obligation as provided in ORS 25.610; or  
2       “(b) Criminal judgments that impose monetary obligations, including judgments requiring the  
3 payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution.  
4       **“(6) As used in this section:**  
5       **“(a) ‘State agency’ means any state officer, board, commission, corporation, institution,**  
6 **department or other state organization.**  
7       **“(b) ‘State agency’ does not include the Secretary of State or the State Treasurer.**  
8       **“SECTION 6. (1) The Oregon Department of Administrative Services shall adopt policies:**  
9       **“(a) Providing guidance for the collection of liquidated and delinquent accounts owing to**  
10 **state agencies.**  
11       **“(b) Setting procedures for state agencies to account for and manage information re-**  
12 **garding the agency’s liquidated and delinquent accounts.**  
13       **“(c) After consultation with the Attorney General, setting criteria for effective and effi-**  
14 **cient assignment of liquidated and delinquent accounts to the Department of Revenue or**  
15 **private collection agencies, and setting performance measurements to be used in the appli-**  
16 **cation of the criteria.**  
17       **“(d) For the allocation, form and amount of charges or fees added to liquidated and de-**  
18 **linquent accounts under ORS 293.231, 293.250 and 697.105.**  
19       **“(e) Setting exemptions or adjustments for state agencies that are prohibited by law from**  
20 **adding or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the**  
21 **addition or collection of the fees is not feasible given the agency resources available for col-**  
22 **lection of accounts receivable.**  
23       **“(f) For the improvement of communications regarding liquidated and delinquent ac-**  
24 **counts between state agencies, private collection agencies and the Department of Revenue.**  
25       **“(g) Describing conditions under which a state agency may request and collect Social**  
26 **Security numbers in accordance with state and federal law when it is reasonably foreseeable**  
27 **that a person may owe the state agency a liquidated and delinquent amount as a result of a**  
28 **transaction or activity.**  
29       **“(h) After consultation with the Attorney General, setting criteria under which state**  
30 **agencies and private collection agencies may propose and accept offers of compromise as**  
31 **provided in ORS 293.240.**  
32       **“(2) The Oregon Department of Administrative Services shall:**  
33       **“(a) Provide training to state agencies regarding processing and managing accounts**  
34 **receivable in compliance with applicable law and state policies.**  
35       **“(b) Provide technical assistance to state agencies in resolving challenges in processing**  
36 **and managing accounts receivable and developing financial administrative systems to im-**  
37 **prove the handling of liquidated and delinquent accounts.**  
38       **“(3) As used in this section:**  
39       **“(a) ‘State agency’ means any state officer, board, commission, corporation, institution,**  
40 **department or other state organization.**  
41       **“(b) ‘State agency’ does not include all state courts and all commissions, departments**  
42 **and divisions in the judicial branch of state government, the Secretary of State and the State**  
43 **Treasurer.**  
44       **“SECTION 7. (1) Subject to ORS 293.250, a state agency shall make all reasonable efforts**  
45 **to collect delinquent accounts owing to the state agency, including the use of Social Security**

1 numbers made available by state agencies pursuant to section 1 of this 2015 Act, and the  
2 setoff of any refunds or sums due to the debtor from the state agency, the Department of  
3 Revenue or from any other state agency.

4 “(2) The Oregon Department of Administrative Services shall adopt rules establishing  
5 procedures for the setoff of amounts between state agencies under this section. Prior to  
6 adopting rules under this subsection, the Director of the Oregon Department of Adminis-  
7 trative Services shall consult with the Chief Justice regarding the application of the rules  
8 to state courts and all commissions, departments and divisions in the judicial branch of state  
9 government.

10 “(3) As used in this section:

11 “(a) ‘State agency’ means any state officer, board, commission, corporation, institution,  
12 department or other state organization.

13 “(b) ‘State agency’ does not include the Secretary of State and the State Treasurer.

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

17 “(2) The department shall charge each state agency for the agency’s share of the ex-  
18 penses described in subsection (1) of this section for the biennium. The department shall  
19 determine the rate to be charged state agencies.

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

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

25 “(5) The department shall adopt rules specifying the methods for calculating and col-  
26 lecting the rates and charges described in this section.

27 “(6) As used in this section:

28 “(a) ‘State agency’ means any state officer, board, commission, corporation, institution,  
29 department or other state organization.

30 “(b) ‘State agency’ does not include all state courts and all commissions, departments  
31 and divisions in the judicial branch of state government, the Secretary of State and the State  
32 Treasurer.

33 “**SECTION 9.** (1) The Delinquent Accounts Administration Fund is established in the  
34 State Treasury, separate and distinct from the General Fund. Interest earned by the Delin-  
35 quent Accounts Administration Fund shall be credited to the fund. Moneys in the fund are  
36 continuously appropriated to the Oregon Department of Administrative Services for purposes  
37 of administering sections 1 and 6 to 8 of this 2015 Act.

38 “(2) The fund shall consist of:

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

40 “(b) Amounts donated to the fund;

41 “(c) Amounts appropriated or otherwise transferred to the fund by the Legislative As-  
42 sembly; and

43 “(d) Other amounts deposited in the fund from any source.”.

44 In line 31, delete “14” and insert “10”.

45 On page 10, line 24, delete “(3)(g)” and insert “(3)(e)”.

1 In line 25, delete “(3)(f)” and insert “(3)(d)”.

2 In line 26, delete “15” and insert “11”.

3 In line 38, delete “(3)(g)” and insert “(3)(e)”.

4 In line 39, delete “(3)(f)” and insert “(3)(d)”.

5 Delete lines 40 through 45.

6 On page 11, delete lines 1 and 2 and insert:

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

10 **“(2) The Oregon Department of Administrative Services, the Department of Revenue or**  
11 **any other state agency may take any action before the operative date specified in subsection**  
12 **(1) of this section that is necessary for the department or state agency to exercise, on or**  
13 **after the operative date specified in subsection (1) of this section, all the duties, functions**  
14 **and powers conferred on the department or state agency by sections 1 and 6 to 8 of this 2015**  
15 **Act and the amendments to ORS 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by**  
16 **sections 2 to 5, 10 and 11 of this 2015 Act.”.**

17 In line 3, delete “17” and insert “13”.

18