

A-Engrossed
House Bill 4065

Ordered by the House February 15
Including House Amendments dated February 15

Sponsored by Representatives WITT, PARRISH; Representatives HOLVEY, LIVELY (Pre-session filed.)

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.

Requires **state** contracting agency to determine whether contractor appears on list of liquidated or delinquent accounts that state agencies assign for collection or failed to make payment for more than 90 days on liquidated or delinquent account that state agency has not assigned for collection. Provides that **state** contracting agency shall either require contractor to pay amount sufficient to bring contractor's account with state agency to current status or offer options to direct payments contractor will receive under public contract to state agency to bring contractor's account to current status. Requires **state** contracting agency to notify state agency of **state** contracting agency's actions.

Requires state agency to direct Department of Revenue or private collection agency to cease efforts to collect amounts due immediately after receiving notice from **state** contracting agency.

Becomes operative January 1, 2017.

A BILL FOR AN ACT

1
2 Relating to methods for collecting debt obligations owed to the State of Oregon; and prescribing an
3 effective date.

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

5 **SECTION 1. Section 2 of this 2016 Act is added to and made a part of ORS chapter 279A.**

6 **SECTION 2. (1) As used in this section, "state agency" has the meaning given that term**
7 **in ORS 293.229.**

8 **(2)(a) A state contracting agency, before entering into a public contract with a contrac-**
9 **tor, shall consult with the Legislative Fiscal Office to determine whether the contractor:**

10 **(A) Appears on a list of delinquent or liquidated accounts that a state agency has as-**
11 **signed for collection; or**

12 **(B) Has failed for more than 90 days to make a payment on a liquidated or delinquent**
13 **account that a state agency has not assigned for collection or offered to assign for collection.**

14 **(b) If a state contracting agency determines that a contractor appears on the list de-**
15 **scribed in paragraph (a)(A) of this subsection or has failed to make a payment as provided**
16 **in paragraph (a)(B) of this subsection, the state contracting agency shall:**

17 **(A) Immediately notify the contractor that the contractor appears on the list or has**
18 **failed to make a payment and:**

19 **(i) Require the contractor before entering into the public contract to make a payment**
20 **to the state agency that is sufficient to bring the contractor's account with the state agency**
21 **to a current status; or**

22 **(ii) Offer to the contractor the option to direct payments that the contractor will receive**
23 **from the state contracting agency under the public contract instead to the state agency in**

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 amounts that would bring the contractor's account with the state agency to a current sta-
2 tus; and

3 (B) Immediately notify the state agency, the Department of Revenue and any private
4 collection agency to which the state agency has assigned the contractor's account for col-
5 lection that the state contracting agency has determined that the contractor appears on the
6 list described in paragraph (a)(A) of this subsection or has failed to make a payment as
7 provided in paragraph (a)(B) of this subsection and, as soon as practicable, notify the state
8 agency, the department or the private collection agency of the actions that the state con-
9 tracting agency takes under subparagraph (A) of this paragraph.

10 (3) The Attorney General and the Oregon Department of Administrative Services shall
11 adopt model rules for state contracting agencies that:

12 (a) Specify the form in which and the method by which a state contracting agency noti-
13 fies a state agency of the state contracting agency's actions under this section; and

14 (b) Prescribe accounting procedures and other necessary methods for ensuring that the
15 state agency receives and properly credits to a contractor's account the moneys that a state
16 contracting agency or contractor remits under this section.

17 (4) A state agency that has assigned to the Department of Revenue under ORS 293.250
18 or a private collection agency a liquidated or delinquent account for collection and that re-
19 ceives a notice from a state contracting agency under subsection (2)(b)(B) of this section
20 shall immediately direct the department or the private collection agency to cease efforts to
21 collect any amount due under the contractor's account.

22 (5) The Legislative Fiscal Office, using data available to the office from the annual report
23 required under ORS 293.229 (2) and from any other applicable source, shall provide assistance
24 to, and compile and provide any information that is necessary for, a state contracting agency
25 to carry out the state contracting agency's duties specified in this section.

26 SECTION 3. Section 2 of this 2016 Act applies to procurements that a state contracting
27 agency advertises or otherwise solicits or, if the state contracting agency does not advertise
28 or otherwise solicit the procurement, to public contracts into which the state contracting
29 agency enters on or after the operative date specified in section 4 of this 2016 Act.

30 SECTION 4. (1) Section 2 of this 2016 Act becomes operative on January 1, 2017.

31 (2) The Attorney General, the Director of the Oregon Department of Administrative
32 Services and a state contracting agency may adopt rules and take any other action before
33 the operative date specified in subsection (1) of this section that is necessary to enable the
34 Attorney General, the director or the state contracting agency to exercise, on and after the
35 operative date specified in subsection (1) of this section, all of the duties, powers and func-
36 tions conferred on the Attorney General, the director or the state contracting agency by
37 section 2 of this 2016 Act.

38 SECTION 5. This 2016 Act takes effect on July 1, 2016.
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