

House Bill 4065

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 **as introduced**.

Requires 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 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 contracting agency to notify state agency of 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 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 contracting agency, before entering into a public contract with a contractor,
9 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 contracting agency determines that a contractor appears on the list described in
15 paragraph (a)(A) of this subsection or has failed to make a payment as provided in paragraph
16 (a)(B) of this subsection, the 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 contracting agency under the public contract instead to the state agency in
24 amounts that would bring the contractor's account with the state agency to a current sta-
25 tus; and**

26 **(B) Immediately notify the state agency, the Department of Revenue and any private
27 collection agency to which the state agency has assigned the contractor's account for col-**

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 lection that the contracting agency has determined that the contractor appears on the list
 2 described in paragraph (a)(A) of this subsection or has failed to make a payment as provided
 3 in paragraph (a)(B) of this subsection and, as soon as practicable, notify the state agency,
 4 the department or the private collection agency of the actions that the contracting agency
 5 takes under subparagraph (A) of this paragraph.

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

8 (a) Specify the form in which and the method by which a contracting agency notifies a
 9 state agency of the contracting agency's actions under this section; and

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

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

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

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

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

27 (2) The Attorney General, the Director of the Oregon Department of Administrative
 28 Services and a contracting agency may adopt rules and take any other action before the
 29 operative date specified in subsection (1) of this section that is necessary to enable the At-
 30 torney General, the director or the contracting agency to exercise, on and after the operative
 31 date specified in subsection (1) of this section, all of the duties, powers and functions con-
 32 ferred on the Attorney General, the director or the contracting agency by section 2 of this
 33 2016 Act.

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

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