

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: SB 89 - 3

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Theresa McHugh
Reviewed by: John Borden
Date: March 20, 2017

Measure Description:

Directs state agencies to assign certain liquidated and delinquent accounts to Department of Revenue for collection.

Government Unit(s) Affected:

Statewide, Department of Revenue

Summary of Expenditure Impact:

The Department of Revenue will need approximately \$2.4 million in Other Funds limitation and 15 new positions (7.17 FTE) to fulfill the requirements of the bill.

Analysis:

SB 89-3 directs state agencies to assign specified liquidated debt to the Department of Revenue (DOR) Other Agencies Account for collection within 90 days of the most recent payment received. The measure effectively centralizes state debt collection work in DOR. DOR may retain and manage the debt for up to six months, but then must assign the debt to a private collection firm. The bill removes the provision in current law that allows state agencies to directly contract with private collection firms for debt collection. DOR is granted the authority to access data and information from other agencies that is needed to collect debts.

DOR estimates that they will have costs of almost \$2.4 million Other Funds and need 15 new positions (7.17 FTE) in 2017-19 to complete the work outlined in the bill. These costs will be recovered from collection fees added to the outstanding debts. While some agencies have identified that they may have some potential savings or costs related to the changes, the amounts are indeterminate. DOR does expect that one less position will be needed in future biennia after the program is fully operational.

Given the Other Funds limitation and position authority associated with this measure, it should be subsequently referred to the Joint Committee on Ways and Means for further consideration.