

**SB 511 A STAFF MEASURE SUMMARY**

**House Committee On Judiciary**

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**Prepared By:** Whitney Perez, Counsel

**Meeting Dates:** 5/23

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**WHAT THE MEASURE DOES:**

Creates accounts receivable designation for overpayment of support when Department of Justice transmits money received from any person or entity on behalf of an obligor and amount transmitted is more than support obligation, amount is misapplied, or payment is dishonored or reversed. Specifies amount of overpayment is owed by person or entity to which money is transmitted, rather than solely owed by obligee. Provides that account receivable becomes delinquent when 90 days passes without payment in full or without payment required by agreement between Division and person.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Division of Child Support is a division within the Oregon Department of Justice. It is responsible for processing over \$1 million each day in medical expenses and child support for children. Currently, the Division may create an overpayment in favor of the state when it sends money from an obligor to an obligee and the amount of the payment or the person paid is incorrect. For example, an obligor may send a check to the Division to process. The Division must process that payment and send money to the obligee within two days of receipt of the payment. If there are not sufficient funds to cover the written check, the Division is left with an overpayment to the obligee and may begin recovery attempts. Currently, the Division may only create an account receivable if the recovery is against the obligee and there is limited ability for the Division to develop a repayment plan.

Senate Bill 511 A creates a process for creating accounts receivable for moneys paid out in error to any person or entity and allows collection efforts against the person or entity that sent the payment. Additionally, the measure gives the Division and the person 90 days to either pay in full or begin payment under a plan before the account receivable becomes delinquent.