



# Oregon Department of Justice

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## Division of Child Support

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### TESTIMONY ON SENATE BILL 511 For the Senate Judiciary Committee February 22, 2017

#### Submitted by:

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This testimony is submitted in support of Senate Bill 511, with -1 amendments.

#### **How This Bill Changes Current Law**

Senate Bill 511 amends ORS 25.125 to create a state debt receivable, after providing notice to the parties and an opportunity to object, for any monies paid in error to any recipient by the Oregon Child Support Program. Current law creates a receivable for overpayments when the payment was transmitted to an obligee or another agency. This legislation would provide for a state debt based on an erroneous payment to other potential recipients, such as an obligor, a caretaker, or a child attending school.

This legislation, with the -1 amendments, also would remove the current requirement for the Oregon Child Support Program to report all overpayment debts as “delinquent,” regardless of whether they are being repaid, and it would clarify that an account is delinquent if no payment is received within 90 days. This change would ensure that overpayment debts being repaid directly to the Oregon Child Support Program are not inappropriately identified as delinquent unless more than 90 days have elapsed without a payment.

Oregon Child Support Program personnel, Department of Revenue, and the Office of Administrative Hearings would each benefit from the clarity provided by this legislation, potentially saving staff time and resources. Additionally, the Department of Administrative Services (which has authority to oversee collection of receivables) and the Legislative Fiscal Office (which monitors the amounts and collection activities for delinquent accounts) would benefit from the Program’s continued collection of all debts owed to the Department of Justice, and from the accurate reporting of delinquent accounts.

### **Key Points of Legislation**

- Expands types of payments that meet the criteria of an overpayment.
- Broadens types of parties against whom the state can collect.
- Identifies an overpayment as an account receivable against which the Department of Justice can collect.

### **Fiscal Impact**

No fiscal impact.

### **Fiscal Benefits**

Potential reduction of state staff time and resources.

### **Recommended Action**

The Oregon Department of Justice recommends adoption of the -1 amendments and committee approval of Senate Bill 511 as amended because it will enable collection against overpayments regardless of who was overpaid and will prevent inappropriate delinquency reporting.