

**HB 2947 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Gomberg

**House Committee On Rules**

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**Action Date:** 06/13/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 8-0-1-0

**Yeas:** 8 - Barreto, Hack, Holvey, Kennemer, Nosse, Rayfield, Smith Warner, Williamson

**Exc:** 1 - McLane

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

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**WHAT THE MEASURE DOES:**

Requires Oregon Department of Administrative Services (DAS) to report annually to Legislative Assembly on amount of debt state agency: writes-off, waives, settles, or determines is not owed or was canceled by Oregon Department of Revenue in previous fiscal year. Requires state agency accuracy to DAS. Defines "state agency" for purpose of report. Removes emergency clause.

**ISSUES DISCUSSED:**

- Amount of debt that state agencies write-off
- Statutory criteria for removing debt from state agency books
- No ability to verify that debt was removed appropriately
- Potential to sell debt to debt buyers

**EFFECT OF AMENDMENT:**

Replaces original measure.

**BACKGROUND:**

Liquidated and delinquent debt owed to the State of Oregon totals about \$3.3 billion; debt owed the Oregon Department of Revenue (DOR) alone is over \$600 million. The \$3.3 billion in unpaid taxes, fines and fees is double the size it was in 2008, according to state figures. The biggest share is unpaid criminal fines and restitution (49.3 percent - although restitution may unfairly inflate this percentage since, unlike other debts, it is never written-off), unpaid taxes (19.1 percent), unpaid child support (12.1 percent) and all other agencies (19.5 percent), according to an annual report by the Department of Administrative Services (DAS). A Secretary of State audit in 2015 identified a number of tools that DAS could implement to improve debt collection including: preparing annual reports on debt collection, relevant to the public and policy makers; helping agencies adopt successful collection tools; and developing short- and long-term plans for a sustained focus on debt collection.

House Bill 2947-A requires state agencies to certify to DAS the amount of debt the state agency has written-off, waived, settled or determined was not owed, or that was canceled by DOR in a previous fiscal year. The measure also requires DAS to include this information in an annual report to the legislature by December 31 of each year.