

HB 2947 B STAFF MEASURE SUMMARY

Carrier: Sen. Roblan

Senate Committee On Rules

Action Date: 07/01/17

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 5-0-0-0

Yeas: 5 - Beyer, Boquist, Burdick, Ferrioli, Roblan

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Cherie Stone, LPRO Analyst

WHAT THE MEASURE DOES:

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

ISSUES DISCUSSED:

- Effect of amendment

EFFECT OF AMENDMENT:

Specifies DAS is to annually report on liquidated and delinquent agency debts.

BACKGROUND:

Currently, liquidated and delinquent debt owed to the State of Oregon totals about \$3.3 billion, while debt owed to the Oregon Department of Revenue (DOR) alone is over \$600 million. According to state figures, the \$3.3 billion in unpaid taxes, fines, and fees is double the amount it was in 2008. The biggest portion of the debt is comprised of 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 potentially implement in order 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-B requires state agencies to certify to DAS the amount of liquidated and delinquent debt the state agency has written-off, waived, settled, 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.