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Versions are Considered Official***

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Measure Description:

Requires financial institutions to participate in data match system established by Department of Revenue to identify assets held at financial institutions by delinquent debtors.

Government Unit(s) Affected:

Department of Revenue(DOR)

Analysis:

<Revised to reflect agency input>

This bill requires financial institutions to participate in a data match program with the Department of Revenue. Under the data match program, financial institutions compare a list of delinquent debtors with the names of account holders. If a match is found, the Department may garnish the debtor's account. Financial institutions are reimbursed for their costs up to a specified amount; and debtor accounts are credited proportionally to pay for the program.

Noncompliance by a financial institution may result in civil penalties of up to \$1000 per month. Unauthorized disclosures of confidential information are subject to civil penalties of up to \$1000 for disclosing to a delinquent debtor that their name was used in the program and up to \$2500 for disclosing information transmitted to the Department. Penalties are credited to the General Fund.

Costs for this program, including vendor start-up costs and on-going fees, quarterly payments to financial institutions, and a one-time notice to current debtors, cannot be determined at this time. To manage these costs, the Department will use the same process it uses for county lien recording fees, which are also paid up front using a General Fund revolving account, and later recovered from debtors. If the funds recovered from debtors are insufficient to cover the costs of this program, the Department may need to return to the Legislature.