

**A-Engrossed**  
**Senate Bill 89**

Ordered by the Senate March 30  
Including Senate Amendments dated March 30

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**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs state agencies to assign certain liquidated and delinquent accounts to Department of Revenue for collection. Directs department to contract with private collection agencies to collect on accounts. Deletes provisions allowing state agencies to assign liquidated and delinquent accounts to private collection agencies. Specifies that Collections Unit of department has access to all information available to department for any purpose. **Specifies when state agency may use Social Security number for debt collection purposes.**

*[Declares emergency, effective on passage.]*

**A BILL FOR AN ACT**

1  
2 Relating to state agency debt collection; creating new provisions; and amending ORS 137.118,  
3 156.315, 293.226, 293.229, 293.231, 293.233, 293.240, 293.250 and 293.252.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 293.231 is amended to read:

6 293.231. (1) Except as provided in subsections *[(4) to (9)]* **(4) to (7)** of this section, a state agency,  
7 unless otherwise prohibited by law, shall offer for assignment every liquidated and delinquent ac-  
8 count to *[a private collection agency or to]* the Department of Revenue as provided in ORS 293.250  
9 not later than:

10 (a) Ninety days from the date the account was liquidated if no payment has been received on  
11 the account within the 90-day period; or

12 (b) Ninety days from the date of receipt of the most recent payment on the account.

13 (2) Nothing in subsection (1) of this section prohibits a state agency from offering for assignment  
14 a liquidated and delinquent account to *[a private collection agency]* **the Department of Revenue**  
15 at any time within the 90-day period.

16 *[(3) If, after a reasonable time, the private collection agency is unable to collect the account, the*  
17 *private collection agency shall notify the state agency that assigned the account that it has been unable*  
18 *to collect the account and shall relinquish the account to the state agency. A private collection agency*  
19 *that collects an account under this section shall be held to the same standard of confidentiality, service*  
20 *and courtesy imposed on the state agency that assigned the account.]*

21 *[(4) (3)(a) If a state agency assigns a liquidated and delinquent account to the Department of*  
22 *Revenue as provided in ORS 293.250, the department [shall have] has* six months from the date of  
23 assignment to collect a payment. If the department does not collect a payment within that six-month  
24 period or if six months have elapsed since the date of receipt of the most recent payment on the

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 account, the department shall *[notify the state agency. The state agency shall then]* immediately offer  
 2 for assignment the debt to a private collection agency[.] **and notify the state agency of the as-**  
 3 **signment.**

4 **(b) Nothing in this subsection prohibits the department from offering for assignment the**  
 5 **debt to a private collection agency at any time within the six-month period.**

6 *[(5)] (4)* The provisions of subsection (1) of this section do not apply to a liquidated and delin-  
 7 quent account that is prohibited by state or federal law or regulation from assignment or collection.

8 *[(6)] (5)* The Oregon Department of Administrative Services may adopt rules exempting specified  
 9 kinds of liquidated and delinquent accounts from the time periods established in subsections (1), (2)  
 10 and *[(4)] (3)* of this section.

11 *[(7)] (6)(a)* **Notwithstanding subsection (1) of this section, liquidated and delinquent ac-**  
 12 **counts that originate in the Department of Revenue shall be offered for assignment by the**  
 13 **department to a private collection agency not later than one year from the date of the most**  
 14 **recent payment on the account.**

15 **(b) Nothing in this subsection prohibits the Department of Revenue from offering for**  
 16 **assignment a liquidated and delinquent account that originates in the department to a pri-**  
 17 **ivate collection agency at any time within the one-year period.**

18 (c) The Oregon Department of Administrative Services shall adopt rules exempting liquidated  
 19 and delinquent accounts that originate in the *[Department of Revenue or the]* Employment Depart-  
 20 ment from the time periods established in subsections (1), (2) and *[(4)] (3)* of this section.

21 *[(8) A liquidated and delinquent account that is subject to assignment under this section shall be*  
 22 *assigned to a private collection agency if more than one year has elapsed without a payment on the*  
 23 *account.]*

24 *[(9)] (7)* Notwithstanding *[subsection (1)]* **subsections (1) and (6)** of this section, a state agency  
 25 **or the Department of Revenue** may, at its discretion, choose not to offer for assignment to **the**  
 26 **Department of Revenue** or a private collection agency a liquidated and delinquent account that:

27 (a) Is secured by a consensual security interest in real or personal property;

28 (b) Is a court-ordered judgment that includes restitution or a payment to the Department of  
 29 Justice Crime Victims' Assistance Section;

30 (c) Is in litigation, including bankruptcy, arbitration and mediation;

31 (d) Is a student loan owed by a student who is attending school;

32 (e) Is owed to a state agency by a local or state government or by the federal government;

33 (f) Is owed by a debtor who is hospitalized in a state hospital as defined in ORS 162.135, who  
 34 receives public assistance as defined in ORS 411.010 or who receives medical assistance as defined  
 35 in ORS 414.025;

36 (g) Is owed by a debtor who is imprisoned;

37 (h) Is less than \$100, including penalties;

38 (i) Would result in loss of federal funding if assigned;

39 (j) Is owed by an estate and the state agency has notice that the estate has closed; or

40 (k) Is eligible for suspension of collection as provided in ORS 305.155.

41 *[(10)] (8)* Nothing in this section prohibits a state agency from collecting a *[tax offset]* **setoff**  
 42 **against any refunds or sums due to the debtor from the state agency** after a liquidated and  
 43 delinquent account is assigned to a private collection agency.

44 *[(11)] (9)* For the purposes of this section, *[a state agency shall be deemed]* **the Department of**  
 45 **Revenue is considered** to have offered for assignment **to a private collection agency** an account

1 if:

2 (a) The terms of the offer are of a type generally acceptable within the collections industry for  
3 the type of account offered for assignment; and

4 (b) The offer is made to a private collection agency that engages in collecting on accounts of  
5 the type sought to be assigned or is made generally available to private collection agencies through  
6 a bid or request for proposal process.

7 [(12)(a)] **(10)(a)** A state agency that assigns a liquidated and delinquent account to the Depart-  
8 ment of Revenue [*under ORS 293.250*] may add a fee to be paid by the debtor to the amount of the  
9 liquidated and delinquent account. **The fee may include amounts attributable to collections**  
10 **conducted by private collection agencies as provided in subsection (3) of this section.**

11 (b) A fee may not be added under this subsection unless the state agency has provided notice  
12 to the debtor:

13 (A) Of the existence of the debt;

14 (B) That the debt may be assigned to the Department of Revenue for collection; and

15 (C) Of the amount of the fee that may be added to the debt under this subsection.

16 [(13)] **(11)** [*A state agency that retains a private collection agency under this section*] **For any**  
17 **liquidated and delinquent account that the Department of Revenue assigns to a private col-**  
18 **lection agency under subsection (6) of this section, the department** may add a fee to the  
19 amount of the liquidated and delinquent account as provided in ORS 697.105. A fee may not be added  
20 under this subsection unless the [*state agency*] **department** has provided notice to the debtor:

21 (a) Of the existence of the debt;

22 (b) That the debt may be assigned to a private collection agency for collection; and

23 (c) Of the amount of the fee that may be added to the debt under this subsection.

24 [(14)] **(12)** Except as provided by federal law, [*the*] **a state agency or the Department of Re-**  
25 **venue** may not add a fee under subsection [(13)] **(10) or (11)** of this section that exceeds the col-  
26 lection fee of the private collection agency **or the department.**

27 **(13)(a)** **A private collection agency that collects an account under this section shall be**  
28 **held to the same standard of confidentiality, service and courtesy imposed on the Depart-**  
29 **ment of Revenue.**

30 **(b)** **The department shall set forth in writing the standards described in paragraph (a)**  
31 **of this subsection and shall transmit the writing to a private collection agency before as-**  
32 **signing an account to the agency under this section.**

33 **(14)(a)** **A state agency may recall an account assigned to the Department of Revenue if**  
34 **the account is deemed uncollectible under ORS 293.240 or settled by compromise under ORS**  
35 **293.240, or if the account may not be collected under state or federal law or is eligible for**  
36 **cancellation under state or federal law.**

37 **(b)** **If an account recalled under this subsection was assigned to a private collection**  
38 **agency, the department shall cancel and recall the account from the private collection**  
39 **agency.**

40 **SECTION 2.** ORS 293.250 is amended to read:

41 293.250. (1) There is created a Collections Unit in the Department of Revenue.

42 (2) The Department of Revenue may render assistance in the collection of any delinquent ac-  
43 count owing to any state agency, or to a county pursuant to a judgment obtained under ORS 169.151,  
44 assigned by the state agency or county to which the delinquent account is owed to the department  
45 for collection. The department may prescribe criteria for the kinds of accounts that may be assigned

1 under this section, including a minimum dollar amount owed.

2 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-  
3 lection of delinquent accounts owing to state agencies or to counties, the Department of Revenue  
4 shall render assistance in the collection and shall charge the state agencies or counties separately  
5 for the cost of assistance. The charges may not exceed the proceeds of collection credited to the  
6 state agency or county for the same biennium. The Department of Revenue may designate a single  
7 percentage to retain from the proceeds of collection as a charge for the cost of assistance. If the  
8 Department of Revenue finds that accounts assigned to the department for collection by certain  
9 state agencies or counties lack sufficient information to properly and efficiently identify the debtor  
10 or that the account information must be put into a form usable by the department in order to effi-  
11 ciently provide collection services, the department may establish a separate percentage charge to  
12 be retained from collections for the state agency or county. The charge must reflect the average of  
13 the actual cost to provide collection services for all accounts assigned by that state agency or  
14 county.

15 (b) In providing assistance, the Department of Revenue shall make all reasonable efforts to col-  
16 lect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the  
17 department or any other state agency. The department may offset any refunds or sums due to the  
18 debtor from the department or any other state agency against delinquent accounts assigned by a  
19 county to the department for collection under this section.

20 (c) No setoff may be made by the Department of Revenue unless the debt is in a liquidated  
21 amount.

22 *[(d) When the Department of Revenue has notified the assigning state agency or county that a re-  
23 fund or other sum due to the debtor is available for setoff, the debtor may arrange with the department  
24 or county for payment of the debt in full before the setoff is made. However, the assigning state agency  
25 or county may not enter into any agreement with the debtor for payment of the debt before the setoff  
26 is made.]*

27 *[(e) At the time any setoff is made, the debtor shall be notified by the Department of Revenue of  
28 its intention to apply sums due from a state agency against the debtor's delinquent account. The notice  
29 shall provide that the debtor within 30 days may request a hearing before the claimant state agency  
30 or county. No issues at the hearing may be considered that have been litigated previously, or if the  
31 debtor after being given due notice of rights of appeal has failed to exercise them timely.]*

32 **(d) At the time any setoff is made, the Department of Revenue shall notify the debtor  
33 of the sums due to the debtor from a state agency that are applied against the debtor's de-  
34 linquent account. The notice must provide that the debtor may, within 30 days and in a  
35 manner prescribed by the department, contest the setoff and request a hearing before the  
36 department. No issues may be considered at the hearing that were previously litigated or  
37 that the debtor failed to raise timely after being given due notice of rights of appeal.**

38 *[(f)]* (e) All moneys received by the Department of Revenue in payment of charges made under  
39 paragraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscella-  
40 neous receipts account for the department.

41 *[(g)]* (f) Net proceeds of collections of delinquent accounts shall be credited to the account or  
42 fund of the state agency or county to which the debt was originally owing.

43 (4)(a) In providing assistance in the collection of any delinquent account under this section, the  
44 Department of Revenue may issue a warrant for the collection of the delinquent account. The  
45 warrant may be recorded in the County Clerk Lien Record maintained under ORS 205.130.

1 (b) A warrant may not be issued under this subsection unless the debt is in a liquidated amount.

2 (c) The amount of any warrant issued under this subsection shall include the *[principal]* amount  
3 of the debt, any added penalties or interest attributable to the delinquent account and any costs  
4 associated with recording, indexing or service of the warrant and any satisfaction or release thereof.

5 (d) A warrant may not be issued under this subsection before the debtor has been notified that  
6 the department intends to issue the warrant and of the collection action that may be taken under  
7 the warrant.

8 **(5) Except as prohibited by federal law and notwithstanding any provision of state law,**  
9 **for purposes of collecting debts assigned to the Department of Revenue under ORS 293.231,**  
10 **the Collections Unit created under subsection (1) of this section has access to all data and**  
11 **other information available to the department for any purpose allowed by law.**

12 *[(5)]* (6) Nothing in this section prohibits the collection of:

13 (a) A child or spousal support obligation as provided in ORS 25.610; or

14 (b) Criminal judgments that impose monetary obligations, including judgments requiring the  
15 payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution.

16 *[(6)]* (7) As used in this section, “state agency” means any state officer, board, commission,  
17 corporation, institution, department or other state organization.

18 **SECTION 3.** ORS 293.226 is amended to read:

19 293.226. (1) Subject to subsection (2) of this section, a state agency *[that requests a person to]*  
20 **may request that a person** voluntarily supply the person’s Social Security number **for use in**  
21 **collecting debts owed to the State of Oregon** on any document relating to any monetary obli-  
22 gation or transaction. **A state agency that so requests shall** *[may]* include on the document a  
23 notice disclosing that the Social Security number **is requested for and** may be used for state  
24 agency debt collection activities.

25 (2) The Oregon Department of Administrative Services shall adopt rules:

26 (a) Specifying the form of the notice, including provisions specifying when the notice must state  
27 *[that]* **whether** the disclosure of a Social Security number is voluntary **or mandatory**; and

28 (b) Setting procedures for the sharing of Social Security numbers between state agencies, **and**  
29 **between the Department of Revenue** and private collection agencies, for the purpose of collecting  
30 debts owed state agencies.

31 (3) If a person is required to provide the person’s Social Security number to *[the requesting]* **a**  
32 state agency under federal or state law **for purposes other than collection of a debt owed to the**  
33 **State of Oregon**, *[this section does not apply.]* **the agency may not use the Social Security**  
34 **number for debt collection purposes, except:**

35 (a) **When the agency requests that the person voluntarily disclose the person’s Social**  
36 **Security number for the purpose of collecting debts owed to the State of Oregon, the agency**  
37 **provides the notice required under subsection (1) of this section and the person subsequently**  
38 **voluntarily provides the person’s Social Security number; or**

39 (b) **When otherwise allowed under state or federal law.**

40 (4) A state agency, the Department of Revenue *[under ORS 293.250]* or a private collection  
41 agency *[assigned]* **that is collecting** a liquidated and delinquent account *[under ORS 1.197 or*  
42 *293.231]* may use a Social Security number collected under this section, or collected as otherwise  
43 allowed by law, to collect any debt owed a state agency or local government by the person associ-  
44 ated with the Social Security number.

45 (5) Nothing in this section authorizes a state agency, the Department of Revenue or a private

1 collection agency [*assigned an*] **that is collecting a liquidated and delinquent** account [*under ORS*  
 2 *1.197, 293.231 or 293.250*] to use or disclose a Social Security number for any reason other than a  
 3 reason specified in this section.

4 (6) Rules adopted under subsection (2) of this section do not apply to state courts and commis-  
 5 sions, departments and divisions in the judicial branch of state government, the Secretary of State  
 6 or the State Treasurer.

7 (7) Except as provided in subsection (6) of this section, as used in this section, “state agency”  
 8 means any state officer, board, commission, corporation, institution, department or other state or-  
 9 ganization.

10 **SECTION 4.** ORS 293.229 is amended to read:

11 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report  
 12 to the Legislative Fiscal Office that describes the status of that agency’s liquidated and delinquent  
 13 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the  
 14 previous fiscal year. The report required under this subsection shall be in a form prescribed by the  
 15 Legislative Fiscal Office and shall include but not be limited to:

16 (a) Beginning balance and total number of all liquidated and delinquent accounts;

17 (b) New liquidated and delinquent accounts added during the last preceding fiscal year;

18 (c) Total collections of liquidated and delinquent accounts;

19 (d) Total amount and total number of liquidated and delinquent accounts that have been written  
 20 off;

21 (e) Total number and ending balance of all liquidated and delinquent accounts;

22 (f) [*Total amount of liquidated and delinquent accounts turned over to private collection agencies*  
 23 *and total amount collected by those agencies under ORS 293.231*] **Total amount of liquidated and**  
 24 **delinquent accounts assigned to the Department of Revenue and the total amount collected**  
 25 **by the department under ORS 293.250;**

26 (g) **Total amount of liquidated and delinquent accounts assigned to private collection**  
 27 **agencies and the total amount collected by private collection agencies under ORS 293.231;**

28 [(g)] (h) Total number and total amount of all liquidated and delinquent accounts exempted un-  
 29 der ORS 293.233;

30 [(h)] (i) Total number and ending balance of all liquidated and delinquent accounts that have  
 31 been placed in suspended collection status under ORS 305.155; and

32 [(i)] (j) A statement indicating whether the agency has liquidated and delinquent accounts that  
 33 are not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment,  
 34 for which no payment has been received for more than 90 days and that have not been assigned to  
 35 [*a private collection agency or to*] the Department of Revenue under ORS 293.231.

36 (2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of  
 37 each fiscal year on the status of liquidated and delinquent accounts of state agencies and the judi-  
 38 cial branch of state government. The report shall be based on the reports submitted by state agen-  
 39 cies as required in this section and on reports submitted by the judicial branch of state government  
 40 under ORS 1.195.

41 (3) The report required under subsection (2) of this section shall:

42 (a) List those state agencies, including the judicial branch of state government, that have liqui-  
 43 dated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are other-  
 44 wise prohibited or exempted by law from assignment, for which no payment has been received for  
 45 more than 90 days and that have not been assigned to a private collection agency or to the De-

1 partment of Revenue under ORS 1.197 or **assigned to the Department of Revenue under** 293.231;

2 (b) List separately information about the liquidated and delinquent accounts of the Secretary  
3 of State, the State Treasurer, other state agencies in the executive branch of state government and  
4 the judicial branch of state government; and

5 (c) Include any other information the Legislative Fiscal Office determines is necessary to de-  
6 scribe the status of liquidated and delinquent accounts across offices and branches of state govern-  
7 ment.

8 (4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753 and  
9 757.552, for purposes of this section, “state agency” also includes semi-independent state agencies  
10 listed in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video Office, the  
11 Travel Information Council, the Children’s Trust Fund of Oregon Foundation, Oregon Corrections  
12 Enterprises, Oregon Health and Science University, the State Accident Insurance Fund Corporation,  
13 the Oregon Utility Notification Center and public universities listed in ORS 352.002.

14 **SECTION 4a.** ORS 293.233 is amended to read:

15 293.233. (1) A state agency may use rules adopted by the Oregon Department of Administrative  
16 Services for exempting liquidated and delinquent accounts from assignment to **the Department of**  
17 **Revenue or** a private collection agency. The state agency shall provide documentation and justi-  
18 fication for exempting liquidated and delinquent accounts from assignment.

19 (2) The Oregon Department of Administrative Services shall adopt rules governing the procedure  
20 that a state agency may follow in exempting a liquidated and delinquent account from assignment,  
21 including but not limited to adequacy of the documentation and justification that a state agency is  
22 required to provide under this section.

23 **SECTION 5.** ORS 293.240 is amended to read:

24 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to *[it, in-*  
25 *cluding money owed on a liquidated and delinquent account that has been relinquished by a private*  
26 *collection agency under ORS 293.231,]* **the agency** and has determined that the money and any in-  
27 terest or penalties on the money are uncollectible, the agency may write off the debt on its ac-  
28 counts.

29 (2) Before determining that money is uncollectible under subsection (1) of this section, a state  
30 agency must adopt criteria for determining when money is uncollectible. The criteria must include  
31 the right of offset and must be approved by the Attorney General.

32 (3)(a) A state agency, the Department of Revenue collecting on an account under ORS 293.250  
33 or a private collection agency collecting on an account under ORS 293.231[,] may propose and ac-  
34 cept offers of compromise for settlement of a debt owed to a state agency. Before proposing or ac-  
35 cepting an offer of compromise, a state agency must adopt criteria for determining when offers of  
36 compromise may be made. The criteria must be approved by:

37 (A) The Attorney General in the case of the Secretary of State and State Treasurer;

38 (B) The Chief Justice in the case of all state courts and all commissions, departments and divi-  
39 sions in the judicial branch of state government; or

40 (C) The Oregon Department of Administrative Services and the Attorney General in the case  
41 of other state agencies.

42 (b) A private collection agency or the Department of Revenue shall accept an offer of compro-  
43 mise for settlement of a debt owed to a state agency:

44 (A) In accordance with the criteria adopted by the state agency to which the debt is owed; and

45 (B) With the authorization of the state agency to which the debt is owed.

1 (c) This subsection does not allow the compromise of a criminal money judgment that requires  
2 a defendant to pay restitution or a compensatory fine.

3 (4) This section does not apply to debts owed to a state agency for which a procedure for com-  
4 promise, release, discharge, waiver, cancellation or other form of settlement for the debt for reasons  
5 other than uncollectibility is by law made specially applicable to the state agency.

6 **SECTION 6.** ORS 293.252 is amended to read:

7 293.252. (1) The Oregon Department of Administrative Services shall monitor state agency debt  
8 collection functions described by law and assist state agencies in efforts to improve the collection  
9 of delinquent debts owed to state agencies. The department's duties under this subsection include,  
10 but are not limited to:

11 (a) Providing training to state agencies regarding processing and managing accounts receivable  
12 in compliance with applicable law and state policies.

13 (b) Providing technical assistance to state agencies in resolving challenges in processing and  
14 managing accounts receivable and developing financial administrative systems to improve the han-  
15 dling of liquidated and delinquent accounts.

16 (c) Developing performance standards for state debt collection, including but not limited to  
17 standards defining what constitutes liquidated and delinquent accounts and when [*state agencies may*  
18 *write off*] debt **may be written off** pursuant to ORS 293.240.

19 (d) Working with state agencies to improve the quality and value of data that each state agency  
20 submits to the Legislative Fiscal Office for purposes of ORS 293.229.

21 (e) Submitting an annual management report to the Legislative Assembly not later than De-  
22 cember 31 of each fiscal year, in conjunction with the report of the Legislative Fiscal Office  
23 produced under ORS 293.229, that identifies important issues and significant trends in state agency  
24 debt collection practices and describes and evaluates efforts by state agencies to improve the col-  
25 lection of delinquent debt.

26 (2) The department shall adopt policies:

27 (a) Providing guidance for the collection of liquidated and delinquent accounts owing to state  
28 agencies.

29 (b) Setting procedures for state agencies to account for and manage information regarding the  
30 agency's liquidated and delinquent accounts.

31 (c) After consultation with the Attorney General, setting criteria for effective and efficient as-  
32 signment of liquidated and delinquent accounts to the Department of Revenue or private collection  
33 agencies, and setting performance measurements to be used in the application of the criteria.

34 (d) For the allocation, form and amount of charges or fees added to liquidated and delinquent  
35 accounts under ORS 293.231, 293.250 and 697.105.

36 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding  
37 or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or  
38 collection of the fees is not feasible given the agency resources available for collection of accounts  
39 receivable.

40 (f) For the improvement of communications regarding liquidated and delinquent accounts [*be-*  
41 *tween*] **among** state agencies[,] **and between** private collection agencies and the Department of  
42 Revenue.

43 (g) Describing conditions under which a state agency may request and collect Social Security  
44 numbers in accordance with state and federal law when it is reasonably foreseeable that a person  
45 may owe the state agency a liquidated and delinquent amount as a result of a transaction or activ-

1 ity.

2 (h) After consultation with the Attorney General, setting criteria under which state agencies,  
3 **the Department of Revenue** and private collection agencies may propose and accept offers of  
4 compromise as provided in ORS 293.240.

5 (3) As used in this section:

6 (a) "State agency" means any state officer, board, commission, corporation, institution, depart-  
7 ment or other state organization.

8 (b) "State agency" does not include all state courts and all commissions, departments and divi-  
9 sions in the judicial branch of state government, the Secretary of State and the State Treasurer.

10 **SECTION 7.** ORS 137.118 is amended to read:

11 137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments  
12 requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or  
13 restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

14 (2)(a) The state may assign a judgment to the Department of Revenue or a private collection  
15 agency.

16 (b) A justice court may assign a judgment to a private collection agency or, in a criminal action,  
17 to the Department of Revenue for the purposes described in ORS 156.315.

18 (c) A municipal court may assign a judgment to:

19 (A) A private collection agency; or

20 (B) The Department of Revenue for the purposes described in subsections (6) to (8) of this sec-  
21 tion, if the judgment was entered in a criminal action and part of the judgment is payable to the  
22 State of Oregon.

23 (d) Nothing in this subsection limits the right of a municipal court or a justice court to assign  
24 for collection judgments in matters other than criminal actions.

25 (3) A municipal or justice court may add to any judgment in a criminal action that includes a  
26 monetary obligation a fee for the cost of collection if the court gives the defendant a period of time  
27 to pay the obligation after the date of imposition of the sentence or after the date of the hearing  
28 or proceeding that results in the imposition of the financial obligation. The fee may not exceed 25  
29 percent of the monetary obligation imposed by the court without the addition of the cost of col-  
30 lection and may not be more than \$250. The fee shall be waived or suspended by the court if the  
31 defendant pays the monetary obligation in the manner required by the court.

32 (4) A state court shall add to any judgment in a criminal action that includes a monetary obli-  
33 gation the fees required by ORS 1.202.

34 (5) As used in subsections (1) to (5) of this section, "criminal action" has the meaning given that  
35 term in ORS 131.005.

36 (6) If part of a judgment in a criminal action, as described in subsections (1) to (5) of this sec-  
37 tion, is payable to the State of Oregon, a municipal court may assign the judgment to the Collections  
38 Unit in the Department of Revenue for the following purposes:

39 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

40 (b) To deduct the amount of debt from any refunds or other sums owed to the debtor by the  
41 department.

42 (7) If the Collections Unit determines that refunds or other sums are owed to the debtor, the  
43 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor  
44 by the department. After also deducting costs of its actions under subsections (6) to (8) of this sec-  
45 tion, the department shall remit the amount deducted from refunds or other sums owed to the debtor

1 to the municipal court that assigned the judgment.

2 (8) A debtor whose account is assigned to the Department of Revenue for setoff under sub-  
3 sections (6) to (8) of this section is entitled to the notice required by ORS 293.250 **(3)(d)** [(3)(e) and  
4 *to the opportunity for payment in ORS 293.250 (3)(d)*].

5 **SECTION 8.** ORS 156.315 is amended to read:

6 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS  
7 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

8 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

9 (b) To deduct the amount of the debt from any refunds or other sums owed to the debtor by the  
10 department.

11 (2) If the Collections Unit determines that refunds or other sums are owed to the debtor, the  
12 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor  
13 by the department. After also deducting costs of its actions under this section, the department shall  
14 remit the amount deducted from refunds or other sums owed to the debtor to the justice court that  
15 assigned the judgment.

16 (3) A debtor whose account is assigned to the Department of Revenue for setoff under this sec-  
17 tion is entitled to the notice required by ORS 293.250 **(3)(d)** [(3)(e) and *to the opportunity for payment*  
18 *in ORS 293.250 (3)(d)*].

19 **SECTION 9.** (1) **The amendments to ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.233,**  
20 **293.240, 293.250 and 293.252 by sections 1 to 8 of this 2017 Act become operative July 1, 2018.**

21 **(2) The Oregon Department of Administrative Services, the Department of Revenue or**  
22 **any other state agency may take any action before the operative date specified in subsection**  
23 **(1) of this section that is necessary for the department or state agency to exercise, on and**  
24 **after the operative date specified in subsection (1) of this section, all the duties, functions**  
25 **and powers conferred on the department or state agency by the amendments to ORS 137.118,**  
26 **156.315, 293.226, 293.229, 293.231, 293.233, 293.240, 293.250 and 293.252 by sections 1 to 8 of this**  
27 **2017 Act.**

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