

Senate Bill 89

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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 **as introduced**.

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.

Declares emergency, effective on passage.

A BILL FOR AN ACT

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

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)] **(3) 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)** If a state agency assigns a liquidated and delinquent account to the Department of Re-
22 venue as provided in ORS 293.250, the department [shall have] **has** six months from the date of as-
23 signment 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
25 account, the department shall [notify the state agency. The state agency shall then] immediately offer
26 for assignment the debt to a private collection agency.

27 [(5)] **(4)** The provisions of subsection (1) of this section do not apply to a liquidated and delin-
28 quent account that is prohibited by state or federal law or regulation from assignment or collection.

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

4 [(7)] (6)(a) **Notwithstanding subsection (1) of this section, liquidated and delinquent ac-**
 5 **counts that originate in the Department of Revenue shall be offered for assignment by the**
 6 **department to a private collection agency not later than one year from the date of the most**
 7 **recent payment on the account.**

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

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

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

17 [(9)] (7) Notwithstanding [*subsection (1)*] **subsections (1) and (6)** of this section, a state agency
 18 **or the Department of Revenue** may, at its discretion, choose not to offer for assignment to **the**
 19 **Department of Revenue** or a private collection agency a liquidated and delinquent account that:

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

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

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

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

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

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

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

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

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

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

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

34 [(10)] (8) Nothing in this section prohibits [*a state agency*] **the Department of Revenue** from
 35 collecting a [*tax offset*] **setoff of any refunds or sums due to the debtor from the department**
 36 **or any other state agency** after a liquidated and delinquent account is assigned to a private col-
 37 lection agency.

38 [(11)] (9) For the purposes of this section, [*a state agency shall be deemed*] **the Department of**
 39 **Revenue is considered** to have offered for assignment **to a private collection agency** an account
 40 if:

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

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

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

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

7 (A) Of the existence of the debt;

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

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

10 [(13)] **(11)** [A state agency that retains a private collection agency under this section] **For any**
 11 **liquidated and delinquent account that the Department of Revenue assigns to a private col-**
 12 **lection agency under this section, the department** may add a fee to the amount of the liquidated
 13 and delinquent account as provided in ORS 697.105. A fee may not be added under this subsection
 14 unless the [state agency] **department** has provided notice to the debtor:

15 (a) Of the existence of the debt;

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

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

18 [(14)] **(12)** Except as provided by federal law, [the] **a state agency or the Department of Re-**
 19 **venue** may not add a fee under subsection [(13)] **(10) or (11)** of this section that exceeds the col-
 20 lection fee of the private collection agency **or the department.**

21 **(13) A private collection agency that collects an account under this section shall be held**
 22 **to the same standard of confidentiality, service and courtesy imposed on the Department of**
 23 **Revenue.**

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

25 293.250. (1) There is created a Collections Unit in the Department of Revenue.

26 (2) The Department of Revenue may render assistance in the collection of any delinquent ac-
 27 count owing to any state agency, or to a county pursuant to a judgment obtained under ORS 169.151,
 28 assigned by the state agency or county to which the delinquent account is owed to the department
 29 for collection. The department may prescribe criteria for the kinds of accounts that may be assigned
 30 under this section, including a minimum dollar amount owed.

31 (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-
 32 lection of delinquent accounts owing to state agencies or to counties, the Department of Revenue
 33 shall render assistance in the collection and shall charge the state agencies or counties separately
 34 for the cost of assistance. The charges may not exceed the proceeds of collection credited to the
 35 state agency or county for the same biennium. The Department of Revenue may designate a single
 36 percentage to retain from the proceeds of collection as a charge for the cost of assistance. If the
 37 Department of Revenue finds that accounts assigned to the department for collection by certain
 38 state agencies or counties lack sufficient information to properly and efficiently identify the debtor
 39 or that the account information must be put into a form usable by the department in order to effi-
 40 ciently provide collection services, the department may establish a separate percentage charge to
 41 be retained from collections for the state agency or county. The charge must reflect the average of
 42 the actual cost to provide collection services for all accounts assigned by that state agency or
 43 county.

44 (b) In providing assistance, the Department of Revenue shall make all reasonable efforts to col-
 45 lect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the

1 department or any other state agency. The department may offset any refunds or sums due to the
 2 debtor from the department or any other state agency against delinquent accounts assigned by a
 3 county to the department for collection under this section.

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

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

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

16 **(d) At the time any setoff is made, the Department of Revenue shall notify the debtor**
 17 **of the sums due to the debtor from a state agency that are applied against the debtor's de-**
 18 **linquent account.**

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

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

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

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

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

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

34 **(5) Except as provided by federal law and notwithstanding any provision of law, for pur-**
 35 **poses of collecting debts assigned to the Department of Revenue under ORS 293.231, the**
 36 **Collections Unit created under subsection (1) of this section has access to all data and other**
 37 **information available to the department for any purpose allowed by law.**

38 *[(5)]* (6) Nothing in this section prohibits the collection of:

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

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

42 *[(6)]* (7) As used in this section, "state agency" means any state officer, board, commission,
 43 corporation, institution, department or other state organization.

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

45 293.226. (1) Subject to subsection (2) of this section, a state agency that requests a person to

1 voluntarily supply the person's Social Security number on any document relating to any monetary
 2 obligation or transaction may include on the document a notice disclosing that the Social Security
 3 number may be used for state agency debt collection activities.

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

5 (a) Specifying the form of the notice, including provisions specifying when the notice must state
 6 that the disclosure of a Social Security number is voluntary; and

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

10 (3) If a person is required to provide the person's Social Security number to the requesting state
 11 agency under federal or state law, this section does not apply.

12 (4) A state agency, the Department of Revenue [*under ORS 293.250*] or a private collection
 13 agency [*assigned*] **that is collecting** a liquidated and delinquent account [*under ORS 1.197 or*
 14 *293.231*] may use a Social Security number collected under this section, or collected as otherwise
 15 allowed by law, to collect any debt owed a state agency or local government by the person associ-
 16 ated with the Social Security number.

17 (5) Nothing in this section authorizes a state agency, the Department of Revenue or a private
 18 collection agency [*assigned an*] **that is collecting a liquidated and delinquent** account [*under ORS*
 19 *1.197, 293.231 or 293.250*] to use or disclose a Social Security number for any reason other than a
 20 reason specified in this section.

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

24 (7) Except as provided in subsection (6) of this section, as used in this section, "state agency"
 25 means any state officer, board, commission, corporation, institution, department or other state or-
 26 ganization.

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

28 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report
 29 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent
 30 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the
 31 previous fiscal year. The report required under this subsection shall be in a form prescribed by the
 32 Legislative Fiscal Office and shall include but not be limited to:

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

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

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

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

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

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

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

45 [(g)] (h) Total number and total amount of all liquidated and delinquent accounts exempted un-

1 der ORS 293.233;

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

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

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

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

14 (a) List those state agencies, including the judicial branch of state government, that have liqui-
 15 dated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are other-
 16 wise prohibited or exempted by law from assignment, for which no payment has been received for
 17 more than 90 days and that have not been assigned to a private collection agency or to the De-
 18 partment of Revenue under ORS 1.197 or **assigned to the Department of Revenue under** 293.231;

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

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

25 (4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753 and
 26 757.552, for purposes of this section, “state agency” also includes semi-independent state agencies
 27 listed in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video Office, the
 28 Travel Information Council, the Children’s Trust Fund of Oregon Foundation, Oregon Corrections
 29 Enterprises, Oregon Health and Science University, the State Accident Insurance Fund Corporation,
 30 the Oregon Utility Notification Center and public universities listed in ORS 352.002.

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

32 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to [it, in-
 33 cluding money owed on a liquidated and delinquent account that has been relinquished by a private
 34 collection agency under ORS 293.231,] **the agency** and has determined that the money and any in-
 35 terest or penalties on the money are uncollectible, the agency may write off the debt on its ac-
 36 counts.

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

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

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

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

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

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

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

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

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

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

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

15 293.252. (1) The Oregon Department of Administrative Services shall monitor state agency debt
 16 collection functions described by law and assist state agencies in efforts to improve the collection
 17 of delinquent debts owed to state agencies. The department's duties under this subsection include,
 18 but are not limited to:

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

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

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

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

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

34 (2) The department shall adopt policies:

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

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

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

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

44 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding
 45 or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or

1 collection of the fees is not feasible given the agency resources available for collection of accounts
2 receivable.

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

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

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

13 (3) As used in this section:

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

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

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

19 137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments
20 requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or
21 restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

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

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

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

27 (A) A private collection agency; or

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

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

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

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

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

44 (6) If part of a judgment in a criminal action, as described in subsections (1) to (5) of this sec-
45 tion, is payable to the State of Oregon, a municipal court may assign the judgment to the Collections

1 Unit in the Department of Revenue for the following purposes:

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

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

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

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

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

14 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS
15 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

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

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

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

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

27 **SECTION 9.** (1) **The amendments to ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.240,**
28 **293.250 and 293.252 by sections 1 to 8 of this 2017 Act become operative July 1, 2018.**

29 **(2) The Oregon Department of Administrative Services, the Department of Revenue or**
30 **any other state agency may take any action before the operative date specified in subsection**
31 **(1) of this section that is necessary for the department or state agency to exercise, on and**
32 **after the operative date specified in subsection (1) of this section, all the duties, functions**
33 **and powers conferred on the department or state agency by the amendments to ORS 137.118,**
34 **156.315, 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252 by sections 1 to 8 of this 2017 Act.**

35 **SECTION 10.** **This 2017 Act being necessary for the immediate preservation of the public**
36 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
37 **on its passage.**

38