

# Senate Bill 981

Sponsored by COMMITTEE ON FINANCE AND REVENUE (at the request of Department of Revenue)

## 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**.

Authorizes Oregon Department of Administrative Services to exempt certain accounts that originate in Department of Revenue from general requirement to assign liquidated and delinquent account to private collection agency within one year of most recent payment on account.

## A BILL FOR AN ACT

1  
2 Relating to Department of Revenue debt collections; amending ORS 293.231.

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

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

5 293.231. (1) Except as provided in subsections (4) to (7) of this section, a state agency, unless  
6 otherwise prohibited by law, shall offer for assignment every liquidated and delinquent account to  
7 the Department of Revenue as provided in ORS 293.250 not later than:

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

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

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

14 (3)(a) If a state agency assigns a liquidated and delinquent account to the Department of Re-  
15 venue as provided in ORS 293.250, the department has six months from the date of assignment to  
16 collect a payment. If the department does not collect a payment within that six-month period or if  
17 six months have elapsed since the date of receipt of the most recent payment on the account, the  
18 department shall immediately offer for assignment the debt to a private collection agency and notify  
19 the state agency of the assignment.

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

22 (4) The provisions of subsection (1) of this section do not apply to a liquidated and delinquent  
23 account that is prohibited by state or federal law or regulation from assignment or collection.

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

27 (6)(a) Notwithstanding subsection (1) of this section, liquidated and delinquent accounts that  
28 originate in the Department of Revenue shall be offered for assignment by the department to a pri-  
29 vate collection agency not later than one year from the date of the most recent payment on the  
30 account.

31 (b) Nothing in this subsection prohibits the Department of Revenue from offering for assignment

**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 a liquidated and delinquent account that originates in the department to a private collection agency  
2 at any time within the one-year period.

3 (c) The Oregon Department of Administrative Services shall adopt rules exempting liquidated  
4 and delinquent accounts that originate in the Employment Department from the time periods estab-  
5 lished in subsections (1), (2) and (3) of this section.

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

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

10 (b) Is a court-ordered judgment that includes restitution or a payment to the Department of  
11 Justice [*Crime Victims' Assistance Section*] **Crime Victim and Survivor Services Division**;

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

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

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

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

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

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

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

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

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

23 (8) Nothing in this section prohibits a state agency from collecting a setoff against any refunds  
24 or sums due to the debtor from the state agency after a liquidated and delinquent account is as-  
25 signed to a private collection agency.

26 (9) For the purposes of this section, the Department of Revenue is considered to have offered  
27 for assignment to a private collection agency an account if:

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

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

33 (10)(a) A state agency that assigns a liquidated and delinquent account to the Department of  
34 Revenue may add a fee to be paid by the debtor to the amount of the liquidated and delinquent ac-  
35 count. The fee may include amounts attributable to collections conducted by private collection  
36 agencies as provided in subsection (3) of this section.

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

39 (A) Of the existence of the debt;

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

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

42 (11) For any liquidated and delinquent account that the Department of Revenue assigns to a  
43 private collection agency under subsection (6) of this section, the department may add a fee to the  
44 amount of the liquidated and delinquent account as provided in ORS 697.105. A fee may not be added  
45 under this subsection unless the department has provided notice to the debtor:

- 1 (a) Of the existence of the debt;
  - 2 (b) That the debt may be assigned to a private collection agency for collection; and
  - 3 (c) Of the amount of the fee that may be added to the debt under this subsection.
- 4 (12) Except as provided by federal law, a state agency or the Department of Revenue may not  
5 add a fee under subsection (10) or (11) of this section that exceeds the collection fee of the private  
6 collection agency or the department.
- 7 (13)(a) A private collection agency that collects an account under this section shall be held to  
8 the same standard of confidentiality, service and courtesy imposed on the Department of Revenue.
- 9 (b) The department shall set forth in writing the standards described in paragraph (a) of this  
10 subsection and shall transmit the writing to a private collection agency before assigning an account  
11 to the agency under this section.
- 12 (14)(a) A state agency may recall an account assigned to the Department of Revenue if the ac-  
13 count is deemed uncollectible under ORS 293.240 or settled by compromise under ORS 293.240, or  
14 if the account may not be collected under state or federal law or is eligible for cancellation under  
15 state or federal law.
- 16 (b) If an account recalled under this subsection was assigned to a private collection agency, the  
17 department shall cancel and recall the account from the private collection agency.
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