

## Background

Senate Bill 981 restores Oregon Department of Administrative Services (DAS) rulemaking authority to exempt specific Department of Revenue (DOR) accounts from assignment to private collection firms.

Among other provisions, [Senate Bill 1067 \(2017\)](#), addressed centralized state debt collection activity at DOR. That bill changed the way agencies transferred collection accounts to private collection firms. Under the old law, agencies could choose whether to send an account to either DOR's Other Agency Accounts (OAA) or a Private Collection Firm (PCF).

Senate Bill 1067 required agencies to send accounts to DOR OAA first, and then DOR managed the relationship with PCFs. The bill codified a long-standing exemption that allows DOR to hold accounts for up to one year of non-payment (most agencies may hold accounts for only 90 days). However, SB 1067 inadvertently discontinued DAS rulemaking authority to exempt specific accounts from being assigned to private collections firms for DOR. This means that DAS is not currently able to approve any new or renew existing exemptions for the department.

Senate Bill 981 restores DAS rulemaking authority to grant DOR the exemption to hold accounts after one year of non-payment.

## Implementation

If DAS rulemaking is reauthorized in Senate Bill 981, the Department of Revenue could request that DAS approve a new exception for DOR to retain specific collection accounts after one year of non-payment rather than transfer the account to a private collection firm.

This correction to statute will provide more flexibility for the department to handle certain accounts where it makes sense. For example, it makes sense to allow the department to complete work where collection activity is already in progress such as with probate or garnishment and seizure of assets rather than transfer to a PCF in the middle of a process.

## Agency Contacts

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