LC 775 2017 Regular Session 10700-017 9/23/16 (TR/ps)

DRAFT

SUMMARY

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

- 2 Relating to state agency debt collection; creating new provisions; amending
- 3 ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252;
- 4 and declaring an emergency.
 - Be It Enacted by the People of the State of Oregon:
 - **SECTION 1.** ORS 293.231 is amended to read:
- 7 293.231. (1) Except as provided in subsections [(4) to (9)] (3) to (7) of this
- 8 section, a state agency, unless otherwise prohibited by law, shall offer for
- 9 assignment every liquidated and delinquent account to [a private collection
- 10 agency or to] the Department of Revenue as provided in ORS 293.250 not later
- 11 than:

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- 12 (a) Ninety days from the date the account was liquidated if no payment
- 13 has been received on the account within the 90-day period; or
- 14 (b) Ninety days from the date of receipt of the most recent payment on
- 15 the account.
 - (2) Nothing in subsection (1) of this section prohibits a state agency from

- offering for assignment a liquidated and delinquent account to [a private collection agency] the Department of Revenue at any time within the
- 3 90-day period.
- 4 [(3) If, after a reasonable time, the private collection agency is unable to
- 5 collect the account, the private collection agency shall notify the state agency
- 6 that assigned the account that it has been unable to collect the account and
- 7 shall relinquish the account to the state agency. A private collection agency
- 8 that collects an account under this section shall be held to the same standard
- 9 of confidentiality, service and courtesy imposed on the state agency that as-
- 10 signed the account.]
- 11 [(4)] (3) If a state agency assigns a liquidated and delinquent account to
- 12 the Department of Revenue as provided in ORS 293.250, the department [shall
- 13 have] has six months from the date of assignment to collect a payment. If
- 14 the department does not collect a payment within that six-month period or
- 15 if six months have elapsed since the date of receipt of the most recent pay-
- 16 ment on the account, the department shall [notify the state agency. The state
- 17 agency shall then] immediately offer for assignment the debt to a private
- 18 collection agency.
- 19 [(5)] (4) The provisions of subsection (1) of this section do not apply to
- 20 a liquidated and delinquent account that is prohibited by state or federal law
- 21 or regulation from assignment or collection.
- 22 [(6)] (5) The Oregon Department of Administrative Services may adopt
- 23 rules exempting specified kinds of liquidated and delinquent accounts from
- 24 the time periods established in subsections (1), (2) and [(4)] (3) of this sec-
- 25 tion.

- 26 [(7)] (6)(a) Notwithstanding subsection (1) of this section, liquidated
- 27 and delinquent accounts that originate in the Department of Revenue
- 28 shall be offered for assignment by the department to a private col-
- 29 lection agency not later than one year from the date of the most re-
- 30 cent payment on the account.
 - (b) Nothing in this subsection prohibits the Department of Revenue

- from offering for assignment a liquidated and delinquent account that originates in the department to a private collection agency at any time within the one-year period.
- (c) The Oregon Department of Administrative Services shall adopt rules exempting liquidated and delinquent accounts that originate in the [Department of Revenue or the] Employment Department from the time periods established in subsections (1), (2) and [(4)] (3) of this section.
- 8 [(8) A liquidated and delinquent account that is subject to assignment un-9 der this section shall be assigned to a private collection agency if more than 10 one year has elapsed without a payment on the account.]
- [(9)] (7) Notwithstanding [subsection (1)] subsections (1) and (6) of this section, a state agency or the Department of Revenue may, at its discretion, choose not to offer for assignment to the Department of Revenue or a private collection agency a liquidated and delinquent account that:
- 15 (a) Is secured by a consensual security interest in real or personal prop-16 erty;
- 17 (b) Is a court-ordered judgment that includes restitution or a payment to 18 the Department of Justice Crime Victims' Assistance Section;
- 19 (c) Is in litigation, including bankruptcy, arbitration and mediation;
- 20 (d) Is a student loan owed by a student who is attending school;
- 21 (e) Is owed to a state agency by a local or state government or by the 22 federal government;
- 23 (f) Is owed by a debtor who is hospitalized in a state hospital as defined 24 in ORS 162.135, who receives public assistance as defined in ORS 411.010 or 25 who receives medical assistance as defined in ORS 414.025;
- 26 (g) Is owed by a debtor who is imprisoned;
- 27 (h) Is less than \$100, including penalties;
- 28 (i) Would result in loss of federal funding if assigned;
- 29 (j) Is owed by an estate and the state agency has notice that the estate 30 has closed; or
- 31 (k) Is eligible for suspension of collection as provided in ORS 305.155.

- [(10)] (8) Nothing in this section prohibits [a state agency] the Department of Revenue from collecting a [tax offset] setoff of any refunds or sums due to the debtor from the department or any other state agency
- 4 after a liquidated and delinquent account is assigned to a private collection 5 agency.
- [(11)] (9) For the purposes of this section, [a state agency shall be deemed] the Department of Revenue is considered to have offered for assignment to a private collection agency an account if:
- 9 (a) The terms of the offer are of a type generally acceptable within the 10 collections industry for the type of account offered for assignment; and
- 11 (b) The offer is made to a private collection agency that engages in col-12 lecting on accounts of the type sought to be assigned or is made generally 13 available to private collection agencies through a bid or request for proposal 14 process.
- [(12)(a)] (10)(a) A state agency that assigns a liquidated and delinquent account to the Department of Revenue [under ORS 293.250] may add a fee to be paid by the debtor to the amount of the liquidated and delinquent account. The fee may include amounts attributable to collections conducted by private collection agencies as provided in subsection (3) of this section.
- 21 (b) A fee may not be added under this subsection unless the state agency 22 has provided notice to the debtor:
- 23 (A) Of the existence of the debt;
- 24 (B) That the debt may be assigned to the Department of Revenue for collection; and
- 26 (C) Of the amount of the fee that may be added to the debt under this subsection.
- [(13)] (11) [A state agency that retains a private collection agency under this section] For any liquidated and delinquent account that the Department of Revenue assigns to a private collection agency under this section, the department may add a fee to the amount of the liquidated and

- delinquent account as provided in ORS 697.105. A fee may not be added under
- 2 this subsection unless the [state agency] department has provided notice to
- 3 the debtor:

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- 4 (a) Of the existence of the debt;
- 5 (b) That the debt may be assigned to a private collection agency for col-6 lection; and
- 7 (c) Of the amount of the fee that may be added to the debt under this 8 subsection.
- 9 [(14)] (12) Except as provided by federal law, [the] a state agency or the
 10 Department of Revenue may not add a fee under subsection [(13)] (10) or
 11 (11) of this section that exceeds the collection fee of the private collection
 12 agency or the department.
 - (13) A private collection agency that collects an account under this section shall be held to the same standard of confidentiality, service and courtesy imposed on the Department of Revenue.
- SECTION 2. ORS 293.250 is amended to read:
- 17 293.250. (1) There is created a Collections Unit in the Department of Revenue.
- 19 (2) The Department of Revenue may render assistance in the collection 20 of any delinquent account owing to any state agency, or to a county pursu-21 ant to a judgment obtained under ORS 169.151, assigned by the state agency 22 or county to which the delinquent account is owed to the department for 23 collection. The department may prescribe criteria for the kinds of accounts 24 that may be assigned under this section, including a minimum dollar amount 25 owed.
- (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for collection of delinquent accounts owing to state agencies or to counties, the Department of Revenue shall render assistance in the collection and shall charge the state agencies or counties separately for the cost of assistance. The charges may not exceed the proceeds of collection credited to the state agency or county for the same biennium. The Depart-

- 1 ment of Revenue may designate a single percentage to retain from the proceeds of collection as a charge for the cost of assistance. If the Department 2 of Revenue finds that accounts assigned to the department for collection by 3 certain state agencies or counties lack sufficient information to properly and efficiently identify the debtor or that the account information must be put 5 into a form usable by the department in order to efficiently provide col-6 lection services, the department may establish a separate percentage charge 7 to be retained from collections for the state agency or county. The charge 8 must reflect the average of the actual cost to provide collection services for 9 all accounts assigned by that state agency or county. 10
- 11 (b) In providing assistance, the Department of Revenue shall make all
 12 reasonable efforts to collect the delinquent accounts including the setoff of
 13 any refunds or sums due to the debtor from the department or any other
 14 state agency. The department may offset any refunds or sums due to the
 15 debtor from the department or any other state agency against delinquent
 16 accounts assigned by a county to the department for collection under this
 17 section.
- 18 (c) No setoff may be made by the Department of Revenue unless the debt 19 is in a liquidated amount.
- [(d) When the Department of Revenue has notified the assigning state agency or county that a refund or other sum due to the debtor is available for setoff, the debtor may arrange with the department or county for payment of the debt in full before the setoff is made. However, the assigning state agency or county may not enter into any agreement with the debtor for payment of the debt before the setoff is made.]
- [(e) At the time any setoff is made, the debtor shall be notified by the Department of Revenue of its intention to apply sums due from a state agency against the debtor's delinquent account. The notice shall provide that the debtor within 30 days may request a hearing before the claimant state agency or county. No issues at the hearing may be considered that have been litigated previously, or if the debtor after being given due notice of rights of appeal has

1 failed to exercise them timely.]

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- (d) At the time any setoff is made, the Department of Revenue shall notify the debtor of the sums due to the debtor from a state agency that are applied against the debtor's delinquent account.
- [(f)] (e) All moneys received by the Department of Revenue in payment of charges made under paragraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscellaneous receipts account for the department.
- 9 [(g)] (f) Net proceeds of collections of delinquent accounts shall be cred-10 ited to the account or fund of the state agency or county to which the debt 11 was originally owing.
- (4)(a) In providing assistance in the collection of any delinquent account under this section, the Department of Revenue may issue a warrant for the collection of the delinquent account. The warrant may be recorded in the County Clerk Lien Record maintained under ORS 205.130.
- 16 (b) A warrant may not be issued under this subsection unless the debt is 17 in a liquidated amount.
- (c) The amount of any warrant issued under this subsection shall include the [principal] amount of the debt, any added penalties or interest attributable to the delinquent account and any costs associated with recording, indexing or service of the warrant and any satisfaction or release thereof.
- 22 (d) A warrant may not be issued under this subsection before the debtor 23 has been notified that the department intends to issue the warrant and of the 24 collection action that may be taken under the warrant.
 - (5) Except as provided by federal law and notwithstanding any provision of law, for purposes of collecting debts assigned to the Department of Revenue under ORS 293.231, the Collections Unit created under subsection (1) of this section has access to all data and other information available to the department for any purpose allowed by law.
- 30 [(5)] (6) Nothing in this section prohibits the collection of:
- 31 (a) A child or spousal support obligation as provided in ORS 25.610; or

- 1 (b) Criminal judgments that impose monetary obligations, including
- 2 judgments requiring the payment of fines, costs, assessments, compensatory
- 3 fines, attorney fees, forfeitures or restitution.
- 4 [(6)] (7) As used in this section, "state agency" means any state officer,
- 5 board, commission, corporation, institution, department or other state or-
- 6 ganization.
- 7 **SECTION 3.** ORS 293.226 is amended to read:
- 8 293.226. (1) Subject to subsection (2) of this section, a state agency that
- 9 requests a person to voluntarily supply the person's Social Security number
- 10 on any document relating to any monetary obligation or transaction may
- include on the document a notice disclosing that the Social Security number
- 12 may be used for state agency debt collection activities.
- 13 (2) The Oregon Department of Administrative Services shall adopt rules:
- 14 (a) Specifying the form of the notice, including provisions specifying when
- 15 the notice must state that the disclosure of a Social Security number is
- 16 voluntary; and
- 17 (b) Setting procedures for the sharing of Social Security numbers between
- 18 state agencies, and between the Department of Revenue and private col-
- 19 lection agencies, for the purpose of collecting debts owed state agencies.
- 20 (3) If a person is required to provide the person's Social Security number
- 21 to the requesting state agency under federal or state law, this section does
- 22 not apply.
- 23 (4) A state agency, the Department of Revenue [under ORS 293.250] or a
- 24 private collection agency [assigned] that is collecting a liquidated and de-
- 25 linguent account [under ORS 1.197 or 293.231] may use a Social Security
- 26 number collected under this section, or collected as otherwise allowed by
- 27 law, to collect any debt owed a state agency or local government by the
- 28 person associated with the Social Security number.
- 29 (5) Nothing in this section authorizes a state agency, the Department of
- 30 Revenue or a private collection agency [assigned an] that is collecting a
- 31 liquidated and delinquent account [under ORS 1.197, 293.231 or 293.250] to

- 1 use or disclose a Social Security number for any reason other than a reason
- 2 specified in this section.
- 3 (6) Rules adopted under subsection (2) of this section do not apply to state
- 4 courts and commissions, departments and divisions in the judicial branch of
- 5 state government, the Secretary of State or the State Treasurer.
- 6 (7) Except as provided in subsection (6) of this section, as used in this
- 7 section, "state agency" means any state officer, board, commission, corpo-
- 8 ration, institution, department or other state organization.
- 9 **SECTION 4.** ORS 293.229 is amended to read:
- 293.229. (1) Not later than October 1 of each fiscal year, each state agency
- 11 shall submit a report to the Legislative Fiscal Office that describes the sta-
- 12 tus of that agency's liquidated and delinquent accounts and efforts made by
- 13 that agency to collect liquidated and delinquent accounts during the previous
- 14 fiscal year. The report required under this subsection shall be in a form
- 15 prescribed by the Legislative Fiscal Office and shall include but not be lim-
- 16 ited to:
- 17 (a) Beginning balance and total number of all liquidated and delinquent
- 18 accounts;
- 19 (b) New liquidated and delinquent accounts added during the last pre-
- 20 ceding fiscal year;
- 21 (c) Total collections of liquidated and delinquent accounts;
- 22 (d) Total amount and total number of liquidated and delinquent accounts
- 23 that have been written off;
- 24 (e) Total number and ending balance of all liquidated and delinquent ac-
- 25 counts;

- 26 (f) [Total amount of liquidated and delinquent accounts turned over to
- 27 private collection agencies and total amount collected by those agencies under
- 28 ORS 293.231] Total amount of liquidated and delinquent accounts as-
- 29 signed to the Department of Revenue and the total amount collected
- 30 by the department under ORS 293.250;
 - (g) Total amount of liquidated and delinquent accounts assigned to

private collection agencies and the total amount collected by private collection agencies under ORS 293.231;

- 3 [(g)] (h) Total number and total amount of all liquidated and delinquent 4 accounts exempted under ORS 293.233;
- [(h)] (i) Total number and ending balance of all liquidated and delinquent accounts that have been placed in suspended collection status under ORS 305.155; and
- [(i)] (j) A statement indicating whether the agency has liquidated and delinquent accounts that are not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment, for which no payment has been received for more than 90 days and that have not been assigned to [a private collection agency or to] the Department of Revenue under ORS 293.231.
- 13 (2) The Legislative Fiscal Office shall produce an annual report not later 14 than December 31 of each fiscal year on the status of liquidated and delin-15 quent accounts of state agencies and the judicial branch of state government. 16 The report shall be based on the reports submitted by state agencies as re-17 quired in this section and on reports submitted by the judicial branch of 18 state government under ORS 1.195.
 - (3) The report required under subsection (2) of this section shall:

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- 20 (a) List those state agencies, including the judicial branch of state gov21 ernment, that have liquidated and delinquent accounts that are not exempt
 22 under ORS 1.198, 1.199 or 293.233, or are otherwise prohibited or exempted
 23 by law from assignment, for which no payment has been received for more
 24 than 90 days and that have not been assigned to a private collection agency
 25 or to the Department of Revenue under ORS 1.197 or assigned to the De26 partment of Revenue under 293.231;
- (b) List separately information about the liquidated and delinquent accounts of the Secretary of State, the State Treasurer, other state agencies in the executive branch of state government and the judicial branch of state government; and
 - (c) Include any other information the Legislative Fiscal Office determines

- 1 is necessary to describe the status of liquidated and delinquent accounts 2 across offices and branches of state government.
- 3 (4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836,
- 4 421.352, 656.753 and 757.552, for purposes of this section, "state agency" also
- 5 includes semi-independent state agencies listed in ORS 182.454, the Oregon
- 6 Tourism Commission, the Oregon Film and Video Office, the Travel Infor-
- 7 mation Council, the Children's Trust Fund of Oregon Foundation, Oregon
- 8 Corrections Enterprises, Oregon Health and Science University, the State
- 9 Accident Insurance Fund Corporation, the Oregon Utility Notification Cen-
- 10 ter and public universities listed in ORS 352.002.
- SECTION 5. ORS 293.240 is amended to read:
- 12 293.240. (1) If a state agency has made all reasonable efforts to collect
- 13 money owed to [it, including money owed on a liquidated and delinquent ac-
- 14 count that has been relinquished by a private collection agency under ORS
- 15 293.231,] the agency and has determined that the money and any interest
- or penalties on the money are uncollectible, the agency may write off the
- 17 debt on its accounts.
- 18 (2) Before determining that money is uncollectible under subsection (1)
- 19 of this section, a state agency must adopt criteria for determining when
- 20 money is uncollectible. The criteria must include the right of offset and must
- 21 be approved by the Attorney General.
- 22 (3)(a) A state agency, the Department of Revenue collecting on an account
- 23 under ORS 293.250 or a private collection agency collecting on an account
- 24 under ORS 293.231[,] may propose and accept offers of compromise for
- 25 settlement of a debt owed to a state agency. Before proposing or accepting
- 26 an offer of compromise, a state agency must adopt criteria for determining
- 27 when offers of compromise may be made. The criteria must be approved by:
- 28 (A) The Attorney General in the case of the Secretary of State and State
- 29 Treasurer;
- 30 (B) The Chief Justice in the case of all state courts and all commissions,
- 31 departments and divisions in the judicial branch of state government; or

- 1 (C) The Oregon Department of Administrative Services and the Attorney 2 General in the case of other state agencies.
- 3 (b) A private collection agency or the Department of Revenue shall accept 4 an offer of compromise for settlement of a debt owed to a state agency:
- 5 (A) In accordance with the criteria adopted by the state agency to which 6 the debt is owed; and
- 7 (B) With the authorization of the state agency to which the debt is owed.
 - (c) This subsection does not allow the compromise of a criminal money judgment that requires a defendant to pay restitution or a compensatory fine.
- 10 (4) This section does not apply to debts owed to a state agency for which 11 a procedure for compromise, release, discharge, waiver, cancellation or other 12 form of settlement for the debt for reasons other than uncollectibility is by 13 law made specially applicable to the state agency.
- **SECTION 6.** ORS 293.252 is amended to read:

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- 15 293.252. (1) The Oregon Department of Administrative Services shall 16 monitor state agency debt collection functions described by law and assist 17 state agencies in efforts to improve the collection of delinquent debts owed 18 to state agencies. The department's duties under this subsection include, but 19 are not limited to:
 - (a) Providing training to state agencies regarding processing and managing accounts receivable in compliance with applicable law and state policies.
- (b) Providing technical assistance to state agencies in resolving challenges in processing and managing accounts receivable and developing financial administrative systems to improve the handling of liquidated and delinquent accounts.
- (c) Developing performance standards for state debt collection, including but not limited to standards defining what constitutes liquidated and delin-quent accounts and when [state agencies may write off] debt may be written off pursuant to ORS 293.240.
- 30 (d) Working with state agencies to improve the quality and value of data 31 that each state agency submits to the Legislative Fiscal Office for purposes

1 of ORS 293.229.

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- 2 (e) Submitting an annual management report to the Legislative Assembly 3 not later than December 31 of each fiscal year, in conjunction with the re-
- 4 port of the Legislative Fiscal Office produced under ORS 293.229, that iden-
- 5 tifies important issues and significant trends in state agency debt collection
- 6 practices and describes and evaluates efforts by state agencies to improve the
- 7 collection of delinquent debt.
 - (2) The department shall adopt policies:
- 9 (a) Providing guidance for the collection of liquidated and delinquent ac-10 counts owing to state agencies.
 - (b) Setting procedures for state agencies to account for and manage information regarding the agency's liquidated and delinquent accounts.
 - (c) After consultation with the Attorney General, setting criteria for effective and efficient assignment of liquidated and delinquent accounts to the Department of Revenue or private collection agencies, and setting performance measurements to be used in the application of the criteria.
- 17 (d) For the allocation, form and amount of charges or fees added to liq-18 uidated and delinquent accounts under ORS 293.231, 293.250 and 697.105.
- 19 (e) Setting exemptions or adjustments for state agencies that are prohib-20 ited by law from adding or collecting fees under ORS 293.231, 293.250 or 21 697.105 and for agencies for which the addition or collection of the fees is 22 not feasible given the agency resources available for collection of accounts 23 receivable.
- 24 (f) For the improvement of communications regarding liquidated and de-25 linquent accounts [between] **among** state agencies[,] **and between** private 26 collection agencies and the Department of Revenue.
- (g) Describing conditions under which a state agency may request and collect Social Security numbers in accordance with state and federal law when it is reasonably foreseeable that a person may owe the state agency a liquidated and delinquent amount as a result of a transaction or activity.
 - (h) After consultation with the Attorney General, setting criteria under

- 1 which state agencies, the Department of Revenue and private collection
- 2 agencies may propose and accept offers of compromise as provided in ORS
- 3 293.240.
- 4 (3) As used in this section:
- 5 (a) "State agency" means any state officer, board, commission, corpo-6 ration, institution, department or other state organization.
- 7 (b) "State agency" does not include all state courts and all commissions,
- 8 departments and divisions in the judicial branch of state government, the
- 9 Secretary of State and the State Treasurer.
- SECTION 7. ORS 137.118 is amended to read:
- 137.118. (1) Judgments in criminal actions that impose monetary obli-
- 12 gations, including judgments requiring the payment of fines, costs, assess-
- 13 ments, compensatory fines, attorney fees, forfeitures or restitution, may be
- 14 assigned by the state, by a municipal court or by a justice court for col-
- 15 lection.
- 16 (2)(a) The state may assign a judgment to the Department of Revenue or
- 17 a private collection agency.
- 18 (b) A justice court may assign a judgment to a private collection agency
- 19 or, in a criminal action, to the Department of Revenue for the purposes de-
- 20 scribed in ORS 156.315.
- 21 (c) A municipal court may assign a judgment to:
- 22 (A) A private collection agency; or
- 23 (B) The Department of Revenue for the purposes described in subsections
- 24 (6) to (8) of this section, if the judgment was entered in a criminal action
- 25 and part of the judgment is payable to the State of Oregon.
- 26 (d) Nothing in this subsection limits the right of a municipal court or a
- 27 justice court to assign for collection judgments in matters other than crimi-
- 28 nal actions.
- 29 (3) A municipal or justice court may add to any judgment in a criminal
- 30 action that includes a monetary obligation a fee for the cost of collection if
- 31 the court gives the defendant a period of time to pay the obligation after the

- 1 date of imposition of the sentence or after the date of the hearing or pro-
- 2 ceeding that results in the imposition of the financial obligation. The fee
- 3 may not exceed 25 percent of the monetary obligation imposed by the court
- 4 without the addition of the cost of collection and may not be more than \$250.
- 5 The fee shall be waived or suspended by the court if the defendant pays the
- 6 monetary obligation in the manner required by the court.
- 7 (4) A state court shall add to any judgment in a criminal action that in-
- 8 cludes a monetary obligation the fees required by ORS 1.202.
- 9 (5) As used in subsections (1) to (5) of this section, "criminal action" has
- the meaning given that term in ORS 131.005.
- 11 (6) If part of a judgment in a criminal action, as described in subsections
- 12 (1) to (5) of this section, is payable to the State of Oregon, a municipal court
- 13 may assign the judgment to the Collections Unit in the Department of Rev-
- 14 enue for the following purposes:
- 15 (a) To determine whether refunds or other sums are owed to the debtor
- 16 by the department; and
- 17 (b) To deduct the amount of debt from any refunds or other sums owed
- 18 to the debtor by the department.
- 19 (7) If the Collections Unit determines that refunds or other sums are owed
- 20 to the debtor, the department shall deduct the amount of the debt from any
- 21 refunds or other sums owed to the debtor by the department. After also de-
- 22 ducting costs of its actions under subsections (6) to (8) of this section, the
- 23 department shall remit the amount deducted from refunds or other sums
- owed to the debtor to the municipal court that assigned the judgment.
- 25 (8) A debtor whose account is assigned to the Department of Revenue for
- 26 setoff under subsections (6) to (8) of this section is entitled to the notice
- 27 required by ORS 293.250 (3)(d) [(3)(e) and to the opportunity for payment in
- 28 ORS 293.250 (3)(d)].
- 29 **SECTION 8.** ORS 156.315 is amended to read:
- 30 156.315. (1) A justice court may assign a judgment in a criminal action,
- as described in ORS 137.118 (1) to (5), to the Collections Unit in the De-

- 1 partment of Revenue for the following purposes:
- 2 (a) To determine whether refunds or other sums are owed to the debtor 3 by the department; and
- 4 (b) To deduct the amount of the debt from any refunds or other sums owed 5 to the debtor by the department.
- (2) If the Collections Unit determines that refunds or other sums are owed to the debtor, the department shall deduct the amount of the debt from any refunds or other sums owed to the debtor by the department. After also deducting costs of its actions under this section, the department shall remit the amount deducted from refunds or other sums owed to the debtor to the justice court that assigned the judgment.
 - (3) A debtor whose account is assigned to the Department of Revenue for setoff under this section is entitled to the notice required by ORS 293.250 (3)(d) [(3)(e) and to the opportunity for payment in ORS 293.250 (3)(d)].
 - <u>SECTION 9.</u> (1) The amendments to ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252 by sections 1 to 8 of this 2017 Act become operative July 1, 2018.
 - (2) The Oregon Department of Administrative Services, the Department of Revenue or any other state agency may take any action before the operative date specified in subsection (1) of this section that is necessary for the department or state agency to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the department or state agency by the amendments to ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252 by sections 1 to 8 of this 2017 Act.
 - SECTION 10. This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect on its passage.