

HOUSE RESEARCH

Bill Summary

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Authors: Nelson

Subject: State Debt Collection

Analyst: Mark Shepard

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Overview

Makes changes in debt collection laws administered by the Department of Revenue.

Section

- 1 Debt; definition.** Strikes a reference to a “debt qualification plan” in the definition of “debt” in the state debt collection chapter. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.
- 2 Referring agency; definition.** Replaces a reference to “debt qualification plan” with “agreement” in the definition of “referring agency” in the state debt collection chapter. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.
- 3 Collection services for referring agencies.** Strikes a reference to a “debt qualification plan”. The department no longer uses debt qualification plans, but instead uses service level agreements. Effective the day following final enactment.
- 4 Contracts for collection of debt.** Removes references to the commissioner of management and budget, since current practice is for the commissioner of revenue to contract directly with collection entities. Effective the day following final enactment.
- 5 Notice to debtors.** Moves the requirement that the commissioner advise debtors of collection costs and the right to cancellation from the section of statute imposing collection costs to the section requiring notice to debtors. Effective the day following final enactment.

Section

- 6** **Imposition of collection costs.** Strikes the requirement that the commissioner advise debtors of collection costs, which is reinstated in section 5. Strikes an obsolete sentence appropriating collection costs collected by private agencies to referring agencies to pay collection fees because collection fees to private agencies are now paid by the department. Also strikes an outdated reference to the commissioner of management and budget. Effective the day following final enactment.
- 7** **Cancellation of collection costs.** Strikes references to the no longer existing unit of the department of revenue that collected only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.
- 8** **Claimant agency; revenue recapture.** Strikes references to the no longer existing unit of the department of revenue that collected only nontax debt. The entire Collection Division collects both tax and nontax debt. Effective the day following final enactment.