

DRAFT

SUMMARY

Requires contracting agency to determine whether contractor appears on list of liquidated or delinquent accounts that state agencies assign for collection or failed to make payment for more than 90 days on liquidated or delinquent account that state agency has not assigned for collection. Provides that contracting agency shall either require contractor to pay amount sufficient to bring contractor's account with state agency to current status or offer options to direct payments contractor will receive under public contract to state agency to bring contractor's account to current status. Requires contracting agency to notify state agency of contracting agency's actions.

Requires state agency to direct Department of Revenue or private collection agency to cease efforts to collect amounts due immediately after receiving notice from contracting agency.

Becomes operative January 1, 2017.

A BILL FOR AN ACT

1
2 Relating to methods for collecting debt obligations owed to the State of
3 Oregon; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2016 Act is added to and made a part**
6 **of ORS chapter 279A.**

7 **SECTION 2. (1) As used in this section, "state agency" has the**
8 **meaning given that term in ORS 293.229.**

9 **(2)(a) A contracting agency, before entering into a public contract**
10 **with a contractor, shall consult with the Legislative Fiscal Office to**
11 **determine whether the contractor:**

12 **(A) Appears on a list of delinquent or liquidated accounts that a**
13 **state agency has assigned for collection; or**

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 **(B) Has failed for more than 90 days to make a payment on a liq-**
2 **uidated or delinquent account that a state agency has not assigned for**
3 **collection or offered to assign for collection.**

4 **(b) If a contracting agency determines that a contractor appears**
5 **on the list described in paragraph (a)(A) of this subsection or has**
6 **failed to make a payment as provided in paragraph (a)(B) of this sub-**
7 **section, the contracting agency shall:**

8 **(A) Immediately notify the contractor that the contractor appears**
9 **on the list or has failed to make a payment and:**

10 **(i) Require the contractor before entering into the public contract**
11 **to make a payment to the state agency that is sufficient to bring the**
12 **contractor's account with the state agency to a current status; or**

13 **(ii) Offer to the contractor the option to direct payments that the**
14 **contractor will receive from the contracting agency under the public**
15 **contract instead to the state agency in amounts that would bring the**
16 **contractor's account with the state agency to a current status; and**

17 **(B) Immediately notify the state agency, the Department of Reve-**
18 **nue and any private collection agency to which the state agency has**
19 **assigned the contractor's account for collection that the contracting**
20 **agency has determined that the contractor appears on the list de-**
21 **scribed in paragraph (a)(A) of this subsection or has failed to make a**
22 **payment as provided in paragraph (a)(B) of this subsection and, as**
23 **soon as practicable, notify the state agency, the department or the**
24 **private collection agency of the actions that the contracting agency**
25 **takes under subparagraph (A) of this paragraph.**

26 **(3) The Attorney General and the Oregon Department of Adminis-**
27 **trative Services shall adopt model rules for contracting agencies that:**

28 **(a) Specify the form in which and the method by which a con-**
29 **tracting agency notifies a state agency of the contracting agency's**
30 **actions under this section; and**

31 **(b) Prescribe accounting procedures and other necessary methods**

1 for ensuring that the state agency receives and properly credits to a
2 contractor's account the moneys that a contracting agency or con-
3 tractor remits under this section.

4 (4) A state agency that has assigned to the Department of Revenue
5 under ORS 293.250 or a private collection agency a liquidated or delin-
6 quent account for collection and that receives a notice from a con-
7 tracting agency under subsection (2)(b)(B) of this section shall
8 immediately direct the department or the private collection agency to
9 cease efforts to collect any amount due under the contractor's ac-
10 count.

11 (5) The Legislative Fiscal Office, using data available to the office
12 from the annual report required under ORS 293.229 (2) and from any
13 other applicable source, shall provide assistance to, and compile and
14 provide any information that is necessary for, a contracting agency
15 to carry out the contracting agency's duties specified in this section.

16 SECTION 3. Section 2 of this 2016 Act applies to procurements that
17 a contracting agency advertises or otherwise solicits or, if the con-
18 tracting agency does not advertise or otherwise solicit the procure-
19 ment, to public contracts into which the contracting agency enters on
20 or after the operative date specified in section 4 of this 2016 Act.

21 SECTION 4. (1) Section 2 of this 2016 Act becomes operative on
22 January 1, 2017.

23 (2) The Attorney General, the Director of the Oregon Department
24 of Administrative Services and a contracting agency may adopt rules
25 and take any other action before the operative date specified in sub-
26 section (1) of this section that is necessary to enable the Attorney
27 General, the director or the contracting agency to exercise, on and
28 after the operative date specified in subsection (1) of this section, all
29 of the duties, powers and functions conferred on the Attorney General,
30 the director or the contracting agency by section 2 of this 2016 Act.

31 SECTION 5. This 2016 Act takes effect on July 1, 2016.

