

CHAPTER 766

AN ACT

SB 55

Relating to debt collection; creating new provisions; amending ORS 1.195, 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250; and declaring an emergency.

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

SECTION 1. (1) Subject to subsection (2) of this section, a state agency that requests a person to voluntarily supply the person's Social Security number on any document relating to any monetary obligation or transaction may include on the document a notice disclosing that the Social Security number may be used for state agency debt collection activities.

(2) The Oregon Department of Administrative Services shall adopt rules:

(a) Specifying the form of the notice, including provisions specifying when the notice must state that the disclosure of a Social Security number is voluntary; and

(b) Setting procedures for the sharing of Social Security numbers between state agencies and private collection agencies for the purpose of collecting debts owed state agencies.

(3) If a person is required to provide the person's Social Security number to the requesting state agency under federal or state law, this section does not apply.

(4) A state agency, the Department of Revenue under ORS 293.250 or a private collection agency assigned a liquidated and delinquent account under ORS 1.197 or 293.231 may use a Social Security number collected under this section, or collected as otherwise allowed by law, to collect any debt owed a state agency or local government by the person associated with the Social Security number.

(5) Nothing in this section authorizes a state agency, the Department of Revenue or a private collection agency assigned an account under ORS 1.197, 293.231 or 293.250 to use or disclose a Social Security number for any reason other than a reason specified in this section.

(6) Rules adopted under subsection (2) of this section do not apply to state courts and commissions, departments and divisions in the judicial branch of state government, the Secretary of State or the State Treasurer.

(7) Except as provided in subsection (6) of this section, as used in this section, "state agency" means any state officer, board, commission, corporation, institution, department or other state organization.

SECTION 2. ORS 293.229 is amended to read:

293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report to the Legislative Fiscal Office that describes the sta-

tus of that agency's liquidated and delinquent accounts and efforts made by that agency to collect liquidated and delinquent accounts during the previous fiscal year. The report required under this subsection shall be in a form prescribed by the Legislative Fiscal Office and shall include but not be limited to:

(a) Beginning balance and total number of all liquidated and delinquent accounts;

(b) New liquidated and delinquent accounts added during the last preceding fiscal year;

(c) Total collections of liquidated and delinquent accounts;

(d) Total amount and total number of liquidated and delinquent accounts that have been written off;

(e) Total number and ending balance of all liquidated and delinquent accounts;

(f) Total amount of liquidated and delinquent accounts turned over to private collection agencies and total amount collected by those agencies under ORS 293.231; *[and]*

(g) Total number and total amount of all liquidated and delinquent accounts exempted under ORS 293.233; and

(h) 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.

(2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of each fiscal year on the status of liquidated and delinquent accounts of state agencies **and the judicial branch of state government**. The report shall be based on the reports submitted by state agencies as required in this section **and on reports submitted by the judicial branch of state government under ORS 1.195**.

(3) The report required under subsection (2) of this section shall:

(a) List those state agencies, including the judicial branch of state government, that have liquidated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 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 1.197 or 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 is necessary to describe the status of liquidated and delinquent

accounts across offices and branches of state government.

(4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753 and 757.552, for purposes of this section, "state agency" also includes semi-independent state agencies listed in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video Office, the Travel Information Council, the Children's Trust Fund of Oregon Foundation, Oregon Corrections Enterprises, Oregon Health and Science University, the State Accident Insurance Fund Corporation, the Oregon Utility Notification Center and public universities listed in ORS 352.002.

SECTION 2a. ORS 1.195 is amended to read:

1.195. (1) Not later than October 1 of each fiscal year, all state courts and all commissions, departments and divisions in the judicial branch of state government shall submit reports to the Legislative Fiscal Office that describe the status of the liquidated and delinquent accounts of the judicial branch of state government, and the efforts made to collect those liquidated and delinquent accounts during the immediately preceding fiscal year. The reports required under this subsection shall be in a form prescribed by the Legislative Fiscal Office and shall include but not be limited to:

(a) The total number of all liquidated and delinquent accounts, and the balance for those accounts, at the beginning of the fiscal year;

(b) The total number of all liquidated and delinquent accounts, and the balance for those accounts, at the end of the fiscal year;

(c) The liquidated and delinquent accounts that have been added during the immediately preceding fiscal year;

(d) The total amount collected on liquidated and delinquent accounts during the immediately preceding fiscal year;

(e) The total amount and total number of liquidated and delinquent accounts that have been written off during the immediately preceding fiscal year;

(f) The total amount and total number of liquidated and delinquent accounts that have been assigned for collection, and the collection efforts made for those accounts, during the immediately preceding fiscal year;

(g) The total amount and total number of liquidated and delinquent accounts that have been turned over to private collection agencies under ORS 1.197 and the total amount that has been collected by those agencies during the immediately preceding fiscal year;

(h) The total amount and total number of accounts that have ceased to be liquidated and delinquent during the fiscal year for reasons other than having been collected or written off;

(i) The total number and total amount of all liquidated and delinquent accounts that have been exempted under ORS 1.199; *[and]*

(j) A statement indicating whether the reporting state court, commission, department or division in the judicial branch of state government has liquidated and delinquent accounts that are not exempt under ORS 1.198 or 1.199, 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 1.197; and

[(j)] (k) Any other information necessary to inform the Legislative Fiscal Office of the status of the liquidated and delinquent accounts of the judicial branch of state government.

(2) The Legislative Fiscal Office shall *[produce an annual report, not later than December 31 of each fiscal year,]* **include information** on the status of the liquidated and delinquent accounts of the judicial branch of state government **in the annual report required under ORS 293.229**. The *[annual report]* **information** shall be based on the reports submitted under subsection (1) of this section.

(3) The reports required under subsection (1) of this section may be made by the State Court Administrator on behalf of some or all of the state courts and on behalf of some or all of the commissions, departments and divisions in the judicial branch of state government.

SECTION 3. ORS 293.231 is amended to read:

293.231. (1) Except as provided in subsections (4) to (9) of this section, a state agency, unless otherwise prohibited by law, shall offer for assignment every liquidated and delinquent account to a private collection agency or to the Department of Revenue as provided in ORS 293.250 not later than:

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

(b) Ninety days from the date of receipt of the most recent payment on 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 at any time within the 90-day period.

(3) If, after a reasonable time, the private collection agency is unable to collect the account, the private collection agency shall notify the state agency that assigned the account that it has been unable to collect the account and shall relinquish the account to the state agency. 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 state agency that assigned the account.

(4) If a state agency assigns a liquidated and delinquent account to the Department of Revenue as provided in ORS 293.250, the department shall have six months from the date of assignment to collect a payment. If the department does not collect a payment within that six-month period or if six months have elapsed since the date of receipt of the most

recent payment on the account, the department shall notify the state agency. The state agency shall then immediately offer for assignment the debt to a private collection agency.

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

(6) The Oregon Department of Administrative Services may adopt rules exempting specified kinds of liquidated and delinquent accounts from the time periods established in subsections (1), (2) and (4) of this section.

(7) 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) of this section.

(8) A liquidated and delinquent account that is subject to assignment under this section shall be assigned to a private collection agency if more than one year has elapsed without a payment on the account.

(9) Notwithstanding subsection (1) of this section, a state agency may, at its discretion, choose not to offer for assignment to a private collection agency a liquidated and delinquent account that:

- (a) Is secured by a consensual security interest in real or personal property;
- (b) Is a court-ordered judgment that includes restitution or a payment to the Department of Justice Crime Victims' Assistance Section;
- (c) Is in litigation, including bankruptcy, arbitration and mediation;
- (d) Is a student loan owed by a student who is attending school;
- (e) Is owed to a state agency by a local or state government or by the federal government;
- (f) Is owed by a debtor who is hospitalized in a state hospital as defined in ORS 162.135, who receives public assistance as defined in ORS 411.010 or who receives medical assistance as defined in ORS 414.025;
- (g) Is owed by a debtor who is imprisoned;
- (h) Is less than \$100, including penalties; or
- (i) Would result in loss of federal funding if assigned.

(10) Nothing in this section prohibits a state agency from collecting a tax offset after a liquidated and delinquent account is assigned to a private collection agency.

(11) For the purposes of this section, a state agency shall be deemed to have offered for assignment an account if:

- (a) The terms of the offer are of a type generally acceptable within the collections industry for the type of account offered for assignment; and
- (b) The offer is made to a private collection agency that engages in collecting on accounts of the type sought to be assigned or is made generally available to private collection agencies through a bid or request for proposal process.

(12)(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.

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

- (A) Of the existence of the debt;**
- (B) That the debt may be assigned to the Department of Revenue for collection; and**
- (C) Of the amount of the fee that may be added to the debt under this subsection.**

~~[(12)]~~ **(13)** A state agency that retains a private collection agency under this section 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 this subsection unless the state agency has provided notice to the debtor:

- (a) Of the existence of the debt;
- (b) That the debt may be assigned to a private collection agency for collection; and
- (c) Of the amount of the fee that may be added to the debt under this subsection.

~~[(13)]~~ **(14)** Except as provided by federal law, the state agency may not add a fee under subsection ~~[(12)]~~ **(13)** of this section that exceeds the collection fee of the private collection agency.

SECTION 4. ORS 293.240 is amended to read:

293.240. (1) If a state agency has made all reasonable efforts to collect money owed to it, including money owed on a liquidated and delinquent account that has been relinquished by a private collection agency under ORS 293.231, and has determined that the money and any interest or penalties on the money are uncollectible, the agency may write off the debt on its accounts.

(2) Before determining that money is uncollectible under subsection (1) of this section, a state agency must adopt criteria for determining when money is uncollectible. The criteria must include the right of offset and must be approved by the Attorney General.

(3)(a) A state agency, the Department of Revenue collecting on an account under ORS 293.250 or a private collection agency collecting on an account under ORS 293.231, may propose and accept offers of compromise for settlement of a debt owed to a state agency. Before proposing or accepting an offer of compromise, a state agency must adopt criteria for determining when offers of compromise may be made. The criteria must be approved by:

- (A) The Attorney General in the case of the Secretary of State and State Treasurer;**
- (B) The Chief Justice in the case of all state courts and all commissions, departments and divisions in the judicial branch of state government; or**
- (C) The Oregon Department of Administrative Services and the Attorney General in the case of other state agencies.**

(b) A private collection agency or the Department of Revenue shall accept an offer of compromise for settlement of a debt owed to a state agency:

(A) In accordance with the criteria adopted by the state agency to which the debt is owed; and

(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.

[3] (4) This section does not apply to debts owed to a state agency for which a procedure for compromise, release, discharge, waiver, cancellation or other form of settlement for the debt for reasons other than uncollectibility is by law made specially applicable to the state agency.

SECTION 5. ORS 293.250 is amended to read:

293.250. (1) There is [hereby] created a Collections Unit in the Department of Revenue.

(2) The Department of Revenue may render assistance in the collection of any delinquent account owing to any [state officer, board, commission, corporation, institution, department or other state organization] **state agency**, or to a county pursuant to a judgment obtained under ORS 169.151, assigned by the **state agency** or county to which the delinquent account is owed to the department [of Revenue] for collection. **The department may prescribe criteria for the kinds of accounts that may be assigned under this section, including a minimum dollar amount owed.**

(3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for collection of delinquent accounts owing to [the respective officers, departments, boards and commissions of state government, and] **state agencies** or to counties, the Department of Revenue shall render assistance in [such] **the collection** and shall charge [such officers, agencies and] **the state agencies** or counties separately for the cost of [such] assistance[, provided that charges shall]. **The charges may not exceed the proceeds of collection credited to [such officer,] the state agency or county for the same biennium.** The Department 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 of Revenue finds that accounts assigned to the department [of Revenue] for collection by certain [officers,] **state agencies** or counties lack sufficient information to properly and efficiently identify the debtor or that the account information must be put into a form usable by the department [of Revenue] in order to efficiently provide collection services, the department [of Revenue] may establish a separate percentage charge to be retained from collections for the [officer,] **state agency** or county. The charge must reflect the average of the actual cost to provide collection services for all accounts assigned by that [officer,] **state agency** or county.

(b) In providing assistance, the Department of Revenue shall [utilize all means available] **make all reasonable efforts** to collect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the department [of Revenue] or any other state agency. The department [of Revenue] may offset any refunds or sums due to the debtor from the department or any other state agency against delinquent accounts assigned by a county to the department for collection under this section. [The Department of Revenue may prescribe criteria for the kinds of accounts that may be assigned under this section, including a minimum dollar amount owed.]

[(b)] (c) No setoff [will] **may** be made by the Department of Revenue unless the debt is in a liquidated amount.

[(c)] (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 [of Revenue] **or county** for payment of the debt in full before the setoff is made. However, the assigning **state agency** or county [shall] **may not** enter into any agreement with the debtor for payment of the debt before the setoff is made.

[(d)] (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 failed to exercise them timely.

[(e)] (f) 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 [of Revenue].

[(f)] (g) Net proceeds of collections of delinquent accounts shall be credited to the account or fund of the [officer,] **state agency** or county to which the debt 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.

(b) A warrant [shall] **may not** be issued under this subsection unless the debt is 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.

(d) A warrant [shall] **may not** be issued under this subsection before the debtor has been notified that the department intends to issue the warrant

and of the collection action that may be taken under the warrant.

(5) Nothing in this section [*shall prohibit*] **prohibits** the collection of:

(a) A child or spousal support obligation as provided in ORS 25.610; or

(b) Criminal judgments that impose monetary obligations, including judgments requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution.

(6) As used in this section, “state agency” means any state officer, board, commission, corporation, institution, department or other state organization.

SECTION 6. (1) The Oregon Department of Administrative Services shall monitor state agency debt collection functions described by law and assist state agencies in efforts to improve the collection of delinquent debts owed to state agencies. The department’s duties under this subsection include, but 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 delinquent accounts and when state agencies may write off debt pursuant to ORS 293.240.

(d) Working with state agencies to improve the quality and value of data that each state agency submits to the Legislative Fiscal Office for purposes of ORS 293.229.

(e) Submitting an annual management report to the Legislative Assembly not later than December 31 of each fiscal year, in conjunction with the report of the Legislative Fiscal Office produced under ORS 293.229, that identifies important issues and significant trends in state agency debt collection practices and describes and evaluates efforts by state agencies to improve the collection of delinquent debt.

(2) The department shall adopt policies:

(a) Providing guidance for the collection of liquidated and delinquent accounts 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 perform-

ance measurements to be used in the application of the criteria.

(d) For the allocation, form and amount of charges or fees added to liquidated and delinquent accounts under ORS 293.231, 293.250 and 697.105.

(e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or collection of the fees is not feasible given the agency resources available for collection of accounts receivable.

(f) For the improvement of communications regarding liquidated and delinquent accounts between state agencies, private 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 which state agencies and private collection agencies may propose and accept offers of compromise as provided in ORS 293.240.

(3) As used in this section:

(a) “State agency” means any state officer, board, commission, corporation, institution, department or other state organization.

(b) “State agency” does not include all state courts and all commissions, departments and divisions in the judicial branch of state government, the Secretary of State and the State Treasurer.

SECTION 7. (1) Subject to ORS 293.250, a state agency shall make all reasonable efforts to collect liquidated and delinquent accounts owing to the state agency, including the use of Social Security numbers made available by state agencies pursuant to section 1 of this 2015 Act, and the setoff of any refunds or sums due to the debtor from the state agency, the Department of Revenue or from any other state agency.

(2) The Oregon Department of Administrative Services shall adopt rules establishing procedures for the setoff of amounts between state agencies under this section. Prior to adopting rules under this subsection, the Director of the Oregon Department of Administrative Services shall consult with the Chief Justice regarding the application of the rules to state courts and all commissions, departments and divisions in the judicial branch of state government.

(3) Rules adopted under subsection (2) of this section do not apply to the Secretary of State or the State Treasurer.

(4) Except as provided in subsection (3) of this section, as used in this section, “state

agency” means any state officer, board, commission, corporation, institution, department or other state organization.

SECTION 8. (1) The Oregon Department of Administrative Services shall estimate in advance the expenses that the department will incur during a biennium in carrying out the provisions of sections 1 and 6 to 8 of this 2015 Act.

(2) The department shall charge each state agency for the agency’s share of the expenses described in subsection (1) of this section for the biennium. The department shall determine the rate to be charged state agencies.

(3) Each state agency shall pay to the credit of the department the charge described in this section as an administrative expense from funds or appropriations available to the state agency in the same manner as other claims against the state agency are paid.

(4) All moneys received by the department under this section shall be credited to the Delinquent Accounts Administration Fund established under section 9 of this 2015 Act.

(5) The department shall adopt rules specifying the methods for calculating and collecting the rates and charges described in this section.

(6) As used in this section:

(a) “State agency” means any state officer, board, commission, corporation, institution, department or other state organization.

(b) “State agency” does not include all state courts and all commissions, departments and divisions in the judicial branch of state government, the Secretary of State and the State Treasurer.

SECTION 9. (1) The Delinquent Accounts Administration Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Delinquent Accounts Administration Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Department of Administrative Services for purposes of administering sections 1 and 6 to 8 of this 2015 Act.

(2) The fund shall consist of:

(a) Moneys deposited in the fund pursuant to section 8 of this 2015 Act;

(b) Amounts donated to the fund;

(c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(d) Other amounts deposited in the fund from any source.

SECTION 10. ORS 137.118 is amended to read:

137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or

restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

(2)(a) The state may assign a judgment to the Department of Revenue or a private collection agency.

(b) A justice court may assign a judgment to a private collection agency or, in a criminal action, to the Department of Revenue for the purposes described in ORS 156.315.

(c) A municipal court may assign a judgment to:

(A) A private collection agency; or

(B) The Department of Revenue for the purposes described in subsections (6) to (8) of this section, if the judgment was entered in a criminal action and part of the judgment is payable to the State of Oregon.

(d) Nothing in this subsection limits the right of a municipal court or a justice court to assign for collection judgments in matters other than criminal actions.

(3) A municipal or justice court may add to any judgment in a criminal action that includes a monetary obligation a fee for the cost of collection if the court gives the defendant a period of time to pay the obligation after the date of imposition of the sentence or after the date of the hearing or proceeding that results in the imposition of the financial obligation. The fee may not exceed 25 percent of the monetary obligation imposed by the court without the addition of the cost of collection and may not be more than \$250. The fee shall be waived or suspended by the court if the defendant pays the monetary obligation in the manner required by the court.

(4) A state court shall add to any judgment in a criminal action that includes a monetary obligation the fees required by ORS 1.202.

(5) As used in subsections (1) to (5) of this section, “criminal action” has the meaning given that term in ORS 131.005.

(6) If part of a judgment in a criminal action, as described in subsections (1) to (5) of this section, is payable to the State of Oregon, a municipal court may assign the judgment to the Collections Unit in the Department of Revenue for the following purposes:

(a) To determine whether refunds or other sums are owed to the debtor by the department; and

(b) To deduct the amount of debt from any refunds or other sums owed to the debtor by the department.

(7) 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 subsections (6) to (8) of this section, the department shall remit the amount deducted from refunds or other sums owed to the debtor to the municipal court that assigned the judgment.

(8) A debtor whose account is assigned to the Department of Revenue for setoff under subsections (6) to (8) of this section is entitled to the notice re-

quired by ORS 293.250 [(3)(d)] (3)(e) and to the opportunity for payment in ORS 293.250 [(3)(c)] (3)(d).

SECTION 11. ORS 156.315 is amended to read:
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 Department of Revenue for the following purposes:

(a) To determine whether refunds or other sums are owed to the debtor by the department; and

(b) To deduct the amount of the debt from any refunds or other sums owed 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)(c)] (3)(d).

SECTION 12. (1) Sections 1 and 6 to 8 of this 2015 Act and the amendments to ORS 1.195, 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by sections 2 to 5, 10 and 11 of this 2015 Act become operative January 1, 2016.

(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 or 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 sections 1 and 6 to 8 of this 2015 Act and the amendments to ORS 1.195, 137.118, 156.315, 293.229, 293.231, 293.240 and 293.250 by sections 2 to 5, 10 and 11 of this 2015 Act.

SECTION 13. Notwithstanding any other law limiting expenditures, the amount of \$660,474 is established for the biennium beginning July 1, 2015, as the maximum limit for payment of expenses by the Oregon Department of Administrative Services from the Delinquent Accounts Administration Fund established by section 9 of this 2015 Act for purposes of administering sections 1 and 6 to 8 of this 2015 Act.

SECTION 14. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Approved by the Governor July 27, 2015

Filed in the office of Secretary of State July 27, 2015

Effective date July 27, 2015