

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	6 - 0 - 1
Yeas:	Buckley, Butler, Gilman, Smith G., Tomei, Beyer
Nays:	0
Exc.:	Read
Prepared By:	Judith Callens, Administrator
Meeting Dates:	3/19

WHAT THE MEASURE DOES: Expands the Oregon Department of Transportation's authority to issue warrants, register liens, or garnish wages or tax refunds for the collection of debt to cover delinquent returned checks or civil penalties where either a judgment has been issued or the amount of debt has been determined in an administrative proceeding.

ISSUES DISCUSSED:

- History of internal collections
- Levels of debt currently owed to the department
- Cost savings with warrant authority
- Limit of warrant use to larger levels of debt
- Requirement for reimbursement of counties
- Secured creditors receive priority over state agency claim

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department of Transportation (ODOT) currently has authority to issue warrants and garnishments for the collection of weight-mile taxes from trucking companies and fuel taxes from fuel sellers, but the agency does not have the same authority for other types of debt such as returned checks or unpaid civil penalties. Last year the agency's collection unit took over responsibility for returned checks, which previously had been turned over to the Department of Revenue. Without the authority in SB 220, the agency must take such a debt to small claims court to obtain a warrant and then must retain an attorney from the Attorney General's Office to issue a garnishment if funds are found. In most cases, the costs of such action to the agency are not justified relative to the size of a debt. The agency estimates that it is owed \$1.64 million in delinquent returned checks and indicates that for a portion of these the warrant process in SB 220 would make collection attempts cost effective.

SB 220 authorizes ODOT to issue warrants and use garnishments under the same process the agency currently uses for delinquent tax collection, including notice to counties for recordation of liens. Several other agencies have this authority, including the Departments of Employment, Revenue, Human Services, and Consumer and Business Services.

3/21/2007 3:37:00 PM

This summary has not been adopted or officially endorsed by action of the committee.