

## LC 360 – Collections Account Administration

### **Restores Oregon Department of Administrative Services (DAS) rulemaking authority to exempt specific department accounts from assignment to private collection firms.**

This concept will allow the department to retain specific collection accounts when transfer to a private collection firm would be detrimental to the account holder – they don't have funds to pay; they're paying on multiple accounts; or new funds are available for garnishment – and fees from private collections firms would require longer time for the account holder to pay.

Among other provisions, [Senate Bill 1067 \(2017\)](#), addressed centralized state debt collection activity in the Oregon Department of Revenue. The bill also codified a long-standing exemption that allows the department to hold accounts for up to one year of non-payment (most agencies may hold accounts for only 90-days). However, the bill inadvertently discontinued DAS rulemaking authority to exempt specific accounts from being assigned to private collections firms after one year of non-payment at the department. This concept restores DAS rulemaking authority to grant the department the exemption.

1. **What problem does this solve?** Without DAS rules to allow the department to hold certain accounts beyond one year of non-payment, the department must turn them over to private collections even if we know it is not in the best interest of the account holder or state.
2. **How will the bill solve the problem?** This bill proposes to restore DAS rule-making authority to allow the department to hold certain accounts beyond one-year of non-payment.
3. **Why is this better than alternatives?** The alternative is to require the department to turn over certain accounts to private collections which will be more costly to the account holder, take more time to collect, not be collectible, or should not go to private collections since the account holder has multiple accounts in collection.
4. **What happens if this doesn't move forward?** An inadvertent bill drafting error remains in statute. The department will either send certain accounts to private collections after one year of non-payment, or we will try to find alternative ways to work with account holders.

## Contact

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