

Effective 5/10/2016

63A-3-502 Office of State Debt Collection created -- Duties.

- (1) The state and each state agency shall comply with the requirements of this chapter and any rules established by the Office of State Debt Collection.
- (2) There is created the Office of State Debt Collection in the Division of Finance.
- (3) The office shall:
 - (a) have overall responsibility for collecting and managing state receivables;
 - (b) assist the Division of Finance to develop consistent policies governing the collection and management of state receivables;
 - (c) oversee and monitor state receivables to ensure that state agencies are:
 - (i) implementing all appropriate collection methods;
 - (ii) following established receivables guidelines; and
 - (iii) accounting for and reporting receivables in the appropriate manner;
 - (d) assist the Division of Finance to develop policies, procedures, and guidelines for accounting, reporting, and collecting money owed to the state;
 - (e) provide information, training, and technical assistance to each state agency on various collection-related topics;
 - (f) write an inclusive receivables management and collection manual for use by each state agency;
 - (g) prepare quarterly and annual reports of the state's receivables;
 - (h) create or coordinate a state accounts receivable database;
 - (i) develop reasonable criteria to gauge state agencies' efforts in maintaining an effective accounts receivable program;
 - (j) identify any state agency that is not making satisfactory progress toward implementing collection techniques and improving accounts receivable collections;
 - (k) coordinate information, systems, and procedures between each state agency to maximize the collection of past-due accounts receivable;
 - (l) establish an automated cash receipt process between each state agency;
 - (m) assist the Division of Finance to establish procedures for writing off accounts receivable for accounting and collection purposes;
 - (n) establish standard time limits after which an agency will delegate responsibility to collect state receivables to the office or its designee;
 - (o) be a real party in interest for an account receivable referred to the office by any state agency or for any restitution to victims referred to the office by a court; and
 - (p) allocate money collected for judgments registered under Section 77-18-6 in accordance with Sections 51-9-402, 63A-3-506, and 78A-5-110.
- (4) The office may:
 - (a) recommend to the Legislature new laws to enhance collection of past-due accounts by state agencies;
 - (b) collect accounts receivables for higher education entities, if the higher education entity agrees;
 - (c) prepare a request for proposal for consulting services to:
 - (i) analyze the state's receivable management and collection efforts; and
 - (ii) identify improvements needed to further enhance the state's effectiveness in collecting its receivables;
 - (d) contract with private or state agencies to collect past-due accounts;
 - (e) perform other appropriate and cost-effective coordinating work directly related to collection of state receivables;

- (f) obtain access to records and databases of any state agency that are necessary to the duties of the office by following the procedures and requirements of Section 63G-2-206, including the financial disclosure form described in Section 77-38a-204;
 - (g) collect interest and fees related to the collection of receivables under this chapter, and establish, by following the procedures and requirements of Section 63J-1-504:
 - (i) a fee to cover the administrative costs of collection, on accounts administered by the office;
 - (ii) a late penalty fee that may not be more than 10% of the account receivable on accounts administered by the office;
 - (iii) an interest charge that is:
 - (A) the postjudgment interest rate established by Section 15-1-4 in judgments established by the courts; or
 - (B) not more than 2% above the prime rate as of July 1 of each fiscal year for accounts receivable for which no court judgment has been entered; and
 - (iv) fees to collect accounts receivable for higher education;
 - (h) collect reasonable attorney fees and reasonable costs of collection that are related to the collection of receivables under this chapter;
 - (i) make rules that allow accounts receivable to be collected over a reasonable period of time and under certain conditions with credit cards;
 - (j) file a satisfaction of judgment in the court by following the procedures and requirements of the Utah Rules of Civil Procedure;
 - (k) ensure that judgments for which the office is the judgment creditor are renewed, as necessary;
 - (l) notwithstanding Section 63G-2-206, share records obtained under Subsection (4)(f) with private sector vendors under contract with the state to assist state agencies in collecting debts owed to the state agencies without changing the classification of any private, controlled, or protected record into a public record;
 - (m) enter into written agreements with other governmental agencies to obtain information for the purpose of collecting state accounts receivable and restitution for victims; and
 - (n) collect accounts receivable for a political subdivision of the state, if the political subdivision enters into an agreement or contract with the office under Title 11, Chapter 13, Interlocal Cooperation Act, for the office to collect the political subdivision's accounts receivable.
- (5) The office shall ensure that:
- (a) a record obtained by the office or a private sector vendor as referred to in Subsection (4)(l):
 - (i) is used only for the limited purpose of collecting accounts receivable; and
 - (ii) is subject to federal, state, and local agency records restrictions; and
 - (b) any person employed by, or formerly employed by, the office or a private sector vendor as referred to in Subsection (4)(l) is subject to:
 - (i) the same duty of confidentiality with respect to the record imposed by law on officers and employees of the state agency from which the record was obtained; and
 - (ii) any civil or criminal penalties imposed by law for violations of lawful access to a private, controlled, or protected record.
- (6)
- (a) The office shall collect accounts receivable ordered by a court as a result of prosecution for a criminal offense that have been transferred to the office under Subsection 76-3-201.1(5)(h) or (8).
 - (b) The office may not assess the interest charge established by the office under Subsection (4) on an account receivable subject to the postjudgment interest rate established by Section 15-1-4.

- (7) The office shall require a state agency to:
 - (a) transfer collection responsibilities to the office or its designee according to time limits established by the office;
 - (b) make annual progress towards implementing collection techniques and improved accounts receivable collections;
 - (c) use the state's accounts receivable system or develop systems that are adequate to properly account for and report their receivables;
 - (d) develop and implement internal policies and procedures that comply with the collections policies and guidelines established by the office;
 - (e) provide internal accounts receivable training to staff involved in the management and collection of receivables as a supplement to statewide training;
 - (f) bill for and make initial collection efforts of its receivables up to the time the accounts must be transferred; and
 - (g) submit quarterly receivable reports to the office that identify the age, collection status, and funding source of each receivable.
- (8) The office shall use the information provided by the agencies and any additional information from the office's records to compile a one-page summary report of each agency.
- (9) The summary shall include:
 - (a) the type of revenue that is owed to the agency;
 - (b) any attempted collection activity; and
 - (c) any costs incurred in the collection process.
- (10) The office shall annually provide copies of each agency's summary to the governor and to the Legislature.
- (11) All interest, fees, and other amounts authorized to be charged by the office under Subsection (4):
 - (a) are penalties that may be charged by the office; and
 - (b) are not compensation for actual pecuniary loss.

Amended by Chapter 129, 2016 General Session