

Senator Ralph Okerlund proposes the following substitute bill:

GOVERNMENT DEBT COLLECTION AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: Rex P. Shipp

LONG TITLE

General Description:

This bill addresses the collection of government entities' delinquent accounts receivable by the Division of Finance.

Highlighted Provisions:

This bill:

- ▶ expands accounts receivable subject to collection efforts of the Division of Finance to include an amount due as a result of a tax;
- ▶ authorizes a political subdivision to enter into an agreement with a local agency for submitting accounts receivable for collection by the Division of Finance;
- ▶ provides requirements for a political subdivision that enters into an agreement with a local agency for the collection of accounts receivable; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



26 [63A-3-301](#), as last amended by Laws of Utah 2019, Chapter 84

27 [63A-3-302](#), as last amended by Laws of Utah 2019, Chapter 84

28 [63A-3-307](#), as last amended by Laws of Utah 2019, Chapter 84

29 [63A-3-310](#), as last amended by Laws of Utah 2019, Chapter 84



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **63A-3-301** is amended to read:

33 **63A-3-301. Definitions.**

34 As used in this part:

35 (1) "Account receivable" or "receivable" means any amount due the state or any other
36 governmental entity within the state as a result of a judgment, citation, tax, or administrative
37 order, or for which materials or services have been provided but for which payment has not
38 been received by the servicing unit.

39 (2) "Debtor" means a party that owes, or is alleged to owe, an account receivable.

40 (3) "Division" means the Division of Finance, created in Section [63A-3-101](#).

41 (4) "Local agency" means a nonprofit entity organized by participating political
42 subdivisions to act on behalf of the participating political subdivisions with respect to the
43 office's efforts to collect accounts receivable of participating political subdivisions through
44 administrative offsets.

45 [~~3~~] (5) "Mail" means United States Postal Service first class mail to the intended
46 recipient's last known address.

47 (6) "Participating political subdivision" means a political subdivision that has entered
48 into an agreement with a local agency authorizing the local agency to act on behalf of the
49 political subdivision with respect to the office's efforts to collect accounts receivable of the
50 political subdivision through administrative offsets.

51 (7) "Political subdivision" means the same as that term is defined in Section
52 [63G-7-102](#).

53 Section 2. Section **63A-3-302** is amended to read:

54 **63A-3-302. Unpaid accounts receivable -- Political subdivision agreement with**
55 **local agency.**

56 (1) If any account receivable at any point has been unpaid for 90 days or more, any

57 agency or other authority of the state, or any political subdivision~~[-as defined in Section~~
 58 ~~63G-7-102, of the state]~~ responsible for collection of the account may proceed under this part
 59 to collect the delinquent amount.

60 (2) (a) A political subdivision may enter into an agreement with a local agency under
 61 which the local agency, for a reasonable fee that the political subdivision and local agency
 62 agree upon, prepares and submits the political subdivision's accounts receivable for collection
 63 as provided in this part.

64 (b) Notwithstanding an agreement under Subsection (2)(a), a participating political
 65 subdivision shall:

66 (i) establish an agreement with the division for submitting delinquent accounts
 67 receivable under this part; and

68 (ii) with respect to the accounts receivable that the participating political subdivision
 69 submits through a local agency for collection under this part:

70 (A) receive and respond to an administrative hearing requested under Section
 71 63A-3-305; and

72 (B) administer an adjudicative proceeding required under Section 63A-3-306.

73 Section 3. Section **63A-3-307** is amended to read:

74 **63A-3-307. Liens.**

75 (1) The following shall constitute a lien in the amount of the receivable plus interest,
 76 penalties, and collection costs allowed by law against any state income tax overpayment or
 77 refund due or to become due the debtor:

78 (a) a judgment, citation, ~~Ŝ~~→ **tax**, ←~~Ŝ~~ or administrative order issued by any agency, court,
 or

78a other

79 authority of the state, or by any political subdivision~~[-as defined in Section 63G-7-102]; or~~

80 (b) an amount, that has at any point been unpaid for 90 days or more, due the state or
 81 other governmental entity for which materials or services have been provided but for which
 82 payment has not been received by the servicing unit.

83 (2) The lien created by this section shall, for the purposes of Section **59-10-529** only,
 84 be considered a judgment.

85 Section 4. Section **63A-3-310** is amended to read:

86 **63A-3-310. Rules for implementing part.**

87 The [~~Division of Finance~~] division may adopt rules for the implementation of this part,

88 including rules for the conduct of hearings, injured spouse claims, and appointment of hearing
89 examiners.