

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB1037

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Saxman

3. Committee Passed Both Houses

4. Title Debt Collection, Division of; retention of revenues, use for collection of debts.

5. Summary/Purpose:

The enrolled bill authorizes the Division of Debt Collection (DDC) of the Office of the Attorney General to retain as special revenue up to 30 percent of receivables collected on behalf of state agencies and to contract with private collection agents for the collection of debts amounting to less than \$15,000. These provisions are also in Item 53 of the enrolled HB 29 for the DDC.

Enrolled HB 1037 also codifies related policies that are in the enrolled HB 29 and in Topic 20505 – Accounts Receivable, of the Commonwealth Accounting Policy and Procedures Manual (CAPP), which is maintained by the Department of Accounts. For example,

1. For accounts receivable below \$3,000, agencies shall contract with private collection agencies, if the accounts are 60 days past due. However, current time frame in the CAPP manual is 90 days.
2. For accounts receivable more than \$3,000 and 60 days past due, agencies shall submit the account to the DDC for collection. Again, the current policy in the CAPP manual is 90 days.
3. Agencies may retain past due accounts beyond the 60 days of the debtor is making satisfactory payments. This policy doesn't change what is in the CAPP manual.

6. No Fiscal Impact , see Item 8.

7. Budget amendment necessary: No

8. Fiscal implications:

Staff in the House Appropriations and Senate Finance committees intended to conform HB 30 to the policies found in HB 1037 and HB 29.

The director of the DDC reports that allowing him to contract with collection agencies for debt below \$15,000 will increase staff productivity.

State contracts are in place to ease the administrative burden of hiring collection agencies for debts below \$3,000.

9. Specific agency or political subdivisions affected: Office of the Attorney General, Division of Debt Collection, Department of Accounts, state agencies

10. Technical amendment necessary: None

11. Other comments: None

Date: 03/22/04

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cc: Secretary of Administration
Office of the Attorney General