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HOUSE BILL NO. 1023

Offered January 9, 2008

Prefiled January 8, 2008

A BILL to amend and reenact § 2.2-4806 of the Code of Virginia, and to amend the Code of Virginia by adding in Chapter 48 of Title 2.2 a section numbered 2.2-4809, relating to collection of debts owed the Commonwealth; reciprocal agreement with the federal government.

 Patron—Frederick

 Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-4806 of the Code of Virginia is amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 48 of Title 2.2 a section numbered 2.2-4809 as follows:

§ 2.2-4806. Utilization of certain collection techniques.

A. Each state agency and institution shall take all appropriate and cost-effective actions to aggressively collect its accounts receivable. Each agency and institution shall utilize, but not be limited to, the following collection techniques, according to the policies and procedures adopted by the Department of Accounts and the Attorney General: (i) credit reporting bureaus, (ii) collection agencies, (iii) garnishments, liens and judgments, ~~and~~ (iv) administrative offset, *and (v) participation in the Treasury Offset Program of the United States under 31 USC § 3716.*

B. Except as provided otherwise herein, for collection of accounts receivable of \$3,000 or more that are 60 days or more past due, each agency and institution shall forward those claims to the Office of Attorney General, Division of Debt Collection for collection. The Attorney General shall review forwarded accounts, determine the appropriate collection efforts, if any, for each account, and take such actions on the accounts as he may so determine.

C. Except as provided otherwise herein, for collection of accounts receivable under \$3,000 that are 60 days or more past due, each agency and institution shall contract with a private collection agency for the collection of those debts. Prior to referring accounts receivable of less than \$3,000, agencies and institutions may refer such accounts to the Office of Attorney General, Division of Debt Collection. The Attorney General may accept the account for collection or return it to the agency or institution for collection by a private collection agency.

D. Where an agency or institution has procedures to secure payment, or the debtor is paying a debt in periodic payments satisfactory to the agency or institution, it may elect to retain the claim in excess of 60 days pending results of such procedures, or until the account is satisfied.

§ 2.2-4809. *Agreement authorized; setoff federal debts.*

A. *The Comptroller is authorized to enter into an agreement with the United States to participate in the Treasury Offset Program pursuant to 31 USC § 3716 for the collection of any debts owed to state agencies. The agreement may provide for the United States to submit debts owed to federal agencies for offset against state payments similar to the procedures for offsetting debts owed to state agencies.*

B. *The Treasurer shall reduce any state payment by the amount of any federal debt submitted in accordance with the agreement authorized by this section, and pay such amount to the appropriate federal official in accordance with the procedures specified in such agreement.*

INTRODUCED

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