

**Senate Bill No. 504**

(By Senators Edgell, Barnes, Facemire and Yost)

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[Introduced February 6, 2014; referred to the Committee on  
Government Organization; and then to the Committee on Finance.]  
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A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new article, designated §14-1A-1, §14-1A-2,  
§14-1A-3, §14-1A-4 and §14-1A-5, all relating to the creation  
of the Debt Resolution Services Division within the Auditor's  
Office; authorizing transaction fees; and creating the Debt  
Resolution Services Fund.

*Be it enacted by the Legislature of West Virginia;*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new article, designated §14-1A-1, §14-1A-2,  
§14-1A-3, §14-1A-4 and §14-1A-5, all to read as follows:

**ARTICLE 1A. DEBT RESOLUTION SERVICE.**

**§14-1A-1. Purpose.**

The purpose of this article is to provide for a timely and  
efficient mechanism for the collection of delinquent debt due the

1 state from vendors.

2 **§14-1A-2. Definitions.**

3 For the purpose of this article the following words have the  
4 meanings indicated:

5 (1) "Offset" means the capture and diversion of a payment due  
6 a vendor from the state to satisfy an outstanding obligation owed  
7 by the vendor to the state.

8 (2) "Debt" means obligations owed the state which a spending  
9 unit has not been able to collect within one hundred and eighty  
10 days of the date on which the obligation was created.

11 (3) "United States Treasury Offset Program" means the  
12 reciprocal debt collection offset program between the federal  
13 government and the State of West Virginia authorized by section  
14 thirty-seven, article one, chapter fourteen of this code.

15 **§14-1A-3. Division Created.**

16 The Auditor is hereby authorized to establish a "Debt  
17 Resolution Services Division" which is authorized to identify and  
18 offset state payments due to vendors that owe delinquent debts to  
19 the state.

20 The Debt Resolution Services Division is also authorized to  
21 administer the United States Treasury Offset Program established  
22 pursuant to section thirty-seven, article one, chapter fourteen of  
23 this code.

1           The Debt Resolution Services Division shall adopt such  
2 procedures, forms and agreements as the Auditor deems necessary to  
3 effectuate the purposes of this article. All spending units of the  
4 state, with the exception of the State Tax Commissioner and any  
5 other division otherwise exempted by law, is required to refer  
6 delinquent debt to the Debt Resolution Services Division for  
7 consideration for offset. The State Auditor is not required to  
8 accept the transfer of any debt from any spending unit which he or  
9 she finds is not qualified for offset.

10 **§14-1A-4. Transaction fees.**

11           In order to effectuate the purposes of this article, the  
12 Auditor may assess an administrative fee for collecting debts  
13 through offset which fee shall be added to the outstanding debt and  
14 collected in the same manner as the debt. The administrative fee  
15 may not exceed twenty-five percent of the outstanding delinquent  
16 debt collected on behalf of the spending unit. Notwithstanding any  
17 other code provision to the contrary, the Auditor may also assess  
18 an administrative fee for collections performed pursuant to  
19 participation in the United States Treasury Offset Program in an  
20 amount equal to the fee assessed by the United States Treasury,  
21 Bureau of the Fiscal Service for collections performed by them  
22 pursuant to that program. All fees authorized by this section will  
23 be in addition to and added to the debt submitted to or received

1 from the Auditor by the United States Treasury Bureau of the Fiscal  
2 Service.

3 **§14-1A-5. Debt Resolution Services Fund created.**

4       There is hereby created a Debt Resolution Services Fund. All  
5 money received by the Auditor for services rendered pursuant to  
6 this article and any interest or other return earned on the money,  
7 shall be deposited in a Special Revenue Revolving Fund designated  
8 the Debt Resolution Services Fund, in the State Treasury to be  
9 administered by the Auditor. The fund shall be used to pay all  
10 expenses related to the operation of the Debt Resolution Services  
11 Division and may be used to pay expenses related to the general  
12 operation of the Auditor's Office. Expenditures from the fund  
13 shall be made in accordance with appropriations by the Legislature  
14 pursuant to the provisions of article three, chapter twelve of this  
15 code and upon fulfillment of the provisions set forth in article  
16 two, chapter five-a of this code.

NOTE: The purpose of this bill is related to the creation of  
Debt Resolution Services Division within the auditor's office.

This article is new; therefore, strike-throughs and  
underscoring have been omitted.