

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 504

(By Senators Edgell, Barnes, Facemire and Yost)

[Originating in the Committee on Government Organization;
reported February 13, 2014.]

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, §14-1A-5, §14-1A-6 and §14-1A-7, all relating to creating the Debt Resolution Services Division within the Auditor's Office; establishing the powers and duties of the division; providing rule-making authority to the Auditor; authorizing transaction fees; requiring state spending units to use the division; exceptions; creating the Debt Resolution Services Fund; and authorizing expenditures from the 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, §14-1A-5, §14-1A-6 and §14-1A-7, all to read as follows:

ARTICLE 1A. DEBT RESOLUTION SERVICE.

§14-1A-1. Purpose.

1 The purpose of this article is to provide for a timely and
2 efficient mechanism for the collection of outstanding
3 delinquent debt due the state from vendors.

§14-1A-2. Definitions.

1 For the purpose of this article the following words have
2 the meanings indicated:

3 (1) "Debt" means an obligation owed the state that a
4 spending unit has not been able to collect within one hundred
5 eighty days of the date on which the obligation was created.

6 (2) "Division" means the Debt Resolution Services
7 Division.

8 (3) "Fund" means the Debt Resolution Services Fund.

9 (4) “Offset” means the capture and diversion of a
10 payment due a vendor from the state to satisfy an outstanding
11 delinquent debt owed by the vendor to the state.

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

§14-1A-3. Debt Resolution Services Division.

1 The Auditor is authorized to establish a Debt Resolution
2 Services Division. The Debt Resolution Services Division is
3 authorized to:

4 (1) Identify and offset state payments due to vendors that
5 owe delinquent debts to the state;

6 (2) Administer the United States Treasury Offset Program
7 established pursuant to section thirty-seven, article one,
8 chapter fourteen of this code;

9 (3) Adopt procedures, forms and agreements, prescribed
10 by the Auditor, to effectuate the provisions of this article; and

11 (4) Perform any other duties as directed by the Auditor.

§14-1A-4. Auditor's rule-making authority.

1 The Auditor shall propose rules for legislative approval
2 pursuant to the provisions of article three, chapter twenty-
3 nine-a of this code, necessary to administer the provisions of
4 this article.

§14-1A-5. Transaction fees.

1 (a) The Auditor may assess an administrative fee for the
2 collection of an outstanding delinquent debt through offset.
3 The administrative fee may not exceed twenty-five percent of
4 the outstanding delinquent debt collected on behalf of the
5 spending unit.

6 (b) Notwithstanding any other provision of this code to
7 the contrary, the Auditor may also assess an administrative
8 fee for collections performed pursuant to participation in the
9 United States Treasury Offset Program. The administrative
10 fee may be in an amount equal to the fee assessed by the
11 United States Treasury Bureau of the Fiscal Service for
12 collections performed by them pursuant to that program.

13 (c) The administrative fees authorized by this section
14 shall be added to the outstanding delinquent debt and
15 collected in the same manner as the debt.

§14-1A-6. Requirement for state agencies; exception.

1 (a) All spending units of the state are required to refer
2 outstanding delinquent debt to the Debt Resolution Services
3 Division for consideration for offset.

4 (b) The division shall review the debt and either:

5 (1) Accept the transfer of the debt from a spending unit
6 which qualifies for offset; or

7 (2) Refuse the transfer of the debt from a spending unit
8 which does not qualify for offset.

9 (c) The provisions of this section are not applicable to the
10 State Tax Commissioner and any state agency exempted by
11 law.

§14-1A-7. Debt Resolution Services Fund created.

1 (a) There is hereby created a special revenue revolving
2 fund in the State Treasury designated the Debt Resolution
3 Services Fund. All administrative fees and money received

4 by the Auditor for services rendered pursuant to this article,
5 and any interest or other return earned on the money, shall be
6 deposited in the fund.

7 (b) The money from the fund shall be used by the Auditor
8 to pay all expenses related to the operation of the Debt
9 Resolution Services Division and may be used to pay
10 expenses related to the general operation of the Auditor's
11 Office.

12 (c) Expenditures from the fund shall be made in
13 accordance with appropriations by the Legislature pursuant
14 to the provisions of article three, chapter twelve of this code,
15 and upon fulfillment of the provisions set forth in article two,
16 chapter five-a of this code.