

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Committee Substitute

for

Senate Bill 499

BY SENATOR WELD

[Originating in the Committee on Government
Organization; reported on March 20, 2017]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
2 designated §14-1A-1, §14-1A-2 and §14-1A-3, all relating to creating the Debt Resolution
3 Services Division within the Auditor's office; providing for powers and duties of the division;
4 defining terms; providing for administration of division; authorizing the offset of a payment
5 due to a vendor, contractor or taxpayer from the state to satisfy an outstanding obligation
6 owed by them to the state; authorizing the administration of the United States Treasury
7 Offset Program; providing for responsibilities of the State Tax Commissioner and spending
8 units of the state; providing for the adoption of procedures, forms, and agreements; and
9 directing the deposit of moneys offset.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
2 article, designated §14-1A-1, §14-1A-2 and §14-1A-3, 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 efficient mechanism for the offset
2 of delinquent debt owed the state from payments made by the state.

§14-1A-2. Definitions.

1 As used in this article:

2 (a) "Debt" means obligations, other than income tax obligations or local government
3 obligations, owed to the state which a spending unit has not been able to collect within a minimum
4 of one hundred eighty days of the date on which the obligation was created.

5 (b) "Offset" means the capture and diversion of a payment due to a vendor, contractor or
6 taxpayer from the state to satisfy an outstanding obligation owed by them to the state.

7 (c) "United States Treasury Offset Program" means the reciprocal debt collection offset
8 program between the federal government and the State of West Virginia authorized by section
9 thirty-seven, article one of this chapter.

§14-1A-3. Debt Resolution Services Division; powers and duties.

1 (a) The Auditor may establish a Debt Resolution Services Division to be administered by
2 employees of his or her office, which is hereby authorized to identify and offset state payments
3 due to vendors, contractors or taxpayers that owe delinquent debts to the state.

4 (b) The division may also administer the United States Treasury Offset Program
5 established pursuant to section thirty-seven, article one of this chapter, except for the portion of
6 the program set forth in subdivision (2), subsection (j), section eleven, article ten, chapter eleven
7 of this code, that is administered by the Tax Commissioner: *Provided*, That an offset exercised
8 against a vendor, contractor or taxpayer pursuant to the United States Treasury Offset Program
9 shall be made subsequent to any offset authorized pursuant to subsection (a) of this section.

10 (c) The division shall adopt such procedures, forms and agreements as the Auditor
11 considers necessary to effectuate the purposes of this article. All spending units of the state, with
12 the exception of the State Tax Commissioner and any other entity otherwise exempted by law,
13 may refer delinquent debt to the division for consideration for offset. All spending units, upon
14 request by the Auditor, shall provide the division with information related to debts owed to the
15 state, unless such disclosure is prohibited by law. The Auditor is not required to accept the transfer
16 of any debt from any spending unit which the Auditor finds is not qualified for offset.

17 (d) The Auditor shall deposit any moneys offset pursuant to this article to the account or
18 fund of the spending unit to which the debt, if otherwise paid, would be deposited.

NOTE: The purpose of this bill is to create the Debt Resolution Services Division within the Auditor's office administered by the existing employees of the Auditor's office.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.