

54A:9-8.1

LEGISLATIVE HISTORY CHECKLIST

NJSA 54A:9-8.1 to 54A:9-8.3 (State agencies and institutions--debtors--uniform procedure)

LAWS 1981 CHAPTER 239

Bill No. A2309

Sponsor(s) Karcher

Date Introduced Dec. 8, 1980

Committee: Assembly Revenue, Finance & Appropriations

Senate Revenue, Finance & Appropriations

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly May 4, 1981

Senate June 29, 1981

Date of approval July 27, 1981

Following statements are attached if available:

Sponsor statement Yes ~~No~~ (Below)

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes ~~No~~

Following were printed:

Reports Yes No

Hearings Yes No

Sponsor's statement:

This bill directs the Department of the Treasury to establish uniform procedures for the collection of debts owed to agencies and institutions in the executive branch. It also provides for the setting off of any delinquent amounts against any refunds due the debtor from the State income tax or homestead rebate program.

Oregon statute (mentioned in press release)--attached

6/32/81

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ASSEMBLY, No. 2309

STATE OF NEW JERSEY

INTRODUCED DECEMBER 8, 1980

By Assemblyman KARCHER

Referred to Committee on Revenue, Finance and Appropriations

AN ACT concerning the collection or setting off of debts owed to agencies and institutions in the \***[Executive Branch of]**\* State Government.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Whenever any taxpayer or homeowner shall be entitled to any  
2 refund of taxes pursuant to the "New Jersey Gross Income Tax  
3 (N. J. S. 54A:1-1 et seq.) or a homestead rebate pursuant to P. L.  
4 1976, c. 72 (C. 54:4-3.80 et seq.), and at the same time the taxpayer  
5 or homeowner shall be indebted to any \***[State]**\* agency or insti-  
6 tution \***[in the Executive Branch]**\* of State Government, the  
7 Department of the Treasury may apply or cause to be applied the  
8 refund or rebate, or both, or so much of either or both as shall be  
9 be necessary, to satisfy the indebtedness. The Department of the  
10 Treasury shall retain a percentage of the proceeds of any collection  
11 setoff as shall be necessary to provide for any expenses of the  
12 collection effort.

1 2. The Department of the Treasury shall promulgate regulations  
2 concerning the procedures and methods to be employed by all  
3 agencies and institutions in the executive branch in the collection  
4 or the setting off of delinquent accounts. The regulations shall be  
5 consistent with all Federal requirements or limitations regarding  
6 any information utilized in any collection or setoff, and shall in  
7 addition provide for due notice to the debtor and opportunity for  
8 a hearing upon request prior to any setoff; safeguards against the  
9 disclosure or inappropriate use of any personally identifiable  
10 information regarding the debtor obtained or maintained pursuant  
11 to this act; and the appropriate apportionment of any setoff in the  
12 case of a debtor's joint filing of a joint income tax return or home-  
13 stead rebate application.

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 3. Any sums collected by the Department of the Treasury on  
2 behalf of State agencies or institutions during the fiscal year in  
3 which this act takes effect are appropriated for the expense of the  
4 collection effort.

1 4. This act shall take effect immediately *\*but no setoff shall be*  
2 *made until the first day of the sixth calendar month next following*  
3 *enactment\**.

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ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2309**  
with committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 23, 1981

This bill directs the Department of the Treasury to establish uniform procedures for the collection of debts owed to any agency or institution of State government. It provides for the setting off of any delinquent amounts against any refunds due the debtor from the State income tax or amounts due the taxpayer under the homestead rebate program.

COMMITTEE AMENDMENTS

The original bill restricted its provisions to the Executive Branch. Amendments extend the bill provisions to the Judicial Branch.

The effective date is delayed for 6 months after enactment, to permit lead time to develop a computer system and appropriate regulations to protect the public right to due process.

**SENATE REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE**

STATEMENT TO  
**ASSEMBLY, No. 2309**

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**STATE OF NEW JERSEY**

DATED: JUNE 15, 1981

The Senate Revenue, Finance and Appropriations Committee concurs with the statement prepared by the Assembly Revenue, Finance and Appropriations Committee.

A-2208, sponsored by Assemblyman Richard J. Codey (D-Essex), raising the salary ceiling of the Executive Secretary of the Casino Control Commission, William F. X. Band, from \$41,000 to \$55,000 per year.

The increase in the salary ceiling is intended to allow the Casino Control Commission to bring the Executive Secretary's salary in line with those of other division directors within the Commission.

A-2309, sponsored by Assemblyman Alan J. Karcher (D-Middlesex), which allows the Department of Treasury to apply an individuals income tax refund or property tax rebate toward any debt that same individual owes any State agency.

Expenses for the collection effort by the State would be appropriated from the sums collected, but it is estimated that these administrative costs would amount to only a small fraction of the recovered debts. A similar program in Oregon has been highly successful.

A-1162, sponsored by Assemblyman Robert E. Littell (R-Sussex), which allows county and municipal officials to reduce speed limits on local highways under their jurisdiction for up to 72 hours when those highways are undergoing repairs.

Department of Transportation approval is not required provided the Department is notified of the speed limit change seven days in advance.

A-147/916, sponsored by Assemblyman Michael J. Matthews (D-Atlantic), increasing the dog registration tag fee from 50 cents to \$1.00 per year and allowing the collection of the registration fees on a three year basis.

The Department of Health will use the additional revenues generated by the increase for rabies control. The fee was last increased from 25 cents to 50 cents in 1966.  
" " " "

(3) This section does not apply to debts owed to a state agency for which a procedure for compromise, release, discharge, waiver, cancellation or other form of settlement thereof for reasons other than uncollectibility is by law made specially applicable to such state agency. [1965 c.448 §2; 1971 c.604 §3]

**293.245 Subsequent collection of debt written off under ORS 293.240.** If a debt previously written off pursuant to ORS 293.240 subsequently becomes collectible, the Department of Revenue shall proceed under ORS 293.250 to collect the money due. The Department of Revenue shall credit the money so collected to the accounts or funds of the state agency to which the debt was originally owing. [1965 c.448 §3; 1971 c.604 §4]

### RECEIVING AND HANDLING MONEYS

**293.250 Collections Unit; collection and disposition of amounts due state agencies; setoff of sums due debtor.** (1) There is hereby created a Collections Unit in the Department of Revenue.

(2) The Department of Revenue may render assistance in the collection of any delinquent account owing to any state officer, board, commission, corporation, institution, department or other state organization assigned by the agency to which the delinquent account is owed to the Department of Revenue for collection.

(3) (a) Subject to rules prescribed by the Executive Department for collection of delinquent accounts owing to the respective officers, departments, boards and commissions of state government, the Department of Revenue shall render assistance in such collection and shall charge such officers and agencies separately for the cost of such assistance, provided that charges shall not exceed the proceeds of collection credited to such officer or agency for the same biennium. The Department of Revenue may designate a single percentage to retain from the proceeds of collection as a charge for the cost of assistance. In providing assistance, the Department of Revenue shall utilize all means available to collect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the Department of Revenue or any other state agency.

(b) No setoff will be made by the Department of Revenue unless the debt is in a liquidated amount.

(c) When the Department of Revenue has notified the assigning agency that a refund or other sum due to the debtor is available for setoff, the debtor may arrange with the Department of Revenue for payment of the debt in full before the setoff is made. However, the assigning agency shall not enter into any agreement with the debtor for payment of the debt before the setoff is made.

(d) At the time any setoff is made the debtor shall be notified by the Department of Revenue of its intention to apply sums due from a state agency against the debtor's delinquent account. The notice shall provide that the debtor within 30 days may request a hearing before the claimant agency. No issues at the hearing may be considered that have been litigated previously, or if the debtor after being given due notice of rights of appeal has failed to exercise them timely.

(e) All moneys received by the Department of Revenue in payment of charges made under paragraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscellaneous receipts account for the Department of Revenue.

(f) Net proceeds of collections of delinquent accounts shall be credited to the account or fund of the officer or agency to which the debt was originally owing. [1971 c.604 §2; 1977 c.603 §1; 1979 c.442 §1]

**293.255** [Formerly 291.432; repealed by 1967 c.454 §119]

**293.260 Collection of moneys and property due to state.** (1) Except as otherwise specifically provided by law, the Secretary of State shall require all persons who have received any moneys or property belonging to the state and who have not accounted therefor to settle their accounts and to return the moneys or property to the state.

(2) An account of a person who has received any moneys or property belonging to the state, certified by the Secretary of State, shall be received in evidence in any court in this state. [Formerly 291.434; 1967 c.454 §1; 1971 c.604 §5]

**293.262 Requiring information regarding accounts; reference to Legislative Assembly.** (1) The Secretary of State may require any person to answer orally or in

writing, under oath or affirmation, as to any facts relating to an account, presented to the Secretary of State for settlement, of a person who has received any moneys or property belonging to the state.

(2) At the request of any person interested in, and dissatisfied with the decision of the Secretary of State on an account presented to the Secretary of State for settlement, of a person who has received any moneys or property belonging to the state, the Secretary of State shall refer the account, his decision thereon and the reason for his decision to the Legislative Assembly at a session thereof.

[1967 c.454 §§3, 4; 1971 c.604 §6]

**293.265 Moneys collected to be turned over to State Treasurer; return of checks or money orders; maximum amount returned set by rule.** (1) It shall be the duty of the officer or other person or agent collecting, receiving, in possession of, or having the control of any state money or other funds, contributions or donations collected or received by, and to be expended by or on behalf of the state under the approval or supervision of any state officer, board, commission, corporation, institution, department or other state organization, recognized by the laws of this state and having the power to collect and disburse state funds, to turn over all such moneys mentioned in this section collected or received by or on account of such state officer, board, commission, corporation, institution, department or other state organization, to the State Treasurer forthwith.

(2) Notwithstanding the provisions of subsection (1) of this section, subject to limits on amount adopted pursuant to subsection (3) of this section, a state agency may return any bank check or money order received by the agency, whenever such bank check or money order is incomplete or the report or record applied for is not available or releasable or the payment is not owed. The agency shall keep a record of the check or money order returned, in the form prescribed by the Executive Department.

(3) After consultation with the State Treasurer, the Executive Department shall by rule limit the return, by an agency, of a bank check or money order under subsection (2) of this section to checks or money orders of less than the amount specified in the rule.

[Formerly 291.436; 1969 c.141 §3; 1979 c.74 §1]

**293.270 Receipt for and crediting moneys deposited under ORS 293.265; interest.** (1) The State Treasurer shall issue a receipt for the moneys deposited with him pursuant to ORS 293.265 and shall place all moneys so deposited, except money which forms all or part of any private donation or contribution, to the credit of appropriate funds or accounts designated by law.

(2) All money deposited with the State Treasurer which forms all or part of any private donation or contribution shall be placed by the State Treasurer in a separate trust fund for the use and benefit for which such donation or contribution was made.

(3) All interest, if any, earned by the trust fund shall inure to the benefit of the trust fund. [Formerly 291.438; 1969 c.141 §4]

**293.275 Disbursement of moneys.** Disbursements of the moneys transferred or deposited pursuant to ORS 293.265 shall be made only on warrants issued in payment of authorized claims and expenses, as provided by law. Disbursements of moneys so deposited, which were placed in separate trust funds, shall be made only on warrants issued in payment of any claims or expenses authorized by the proper officers of the board, commission, corporation, institution, department, office or other state organization for whose benefit the trust fund was created. [Formerly 291.440; 1967 c.454 §5]

**293.280 Application of ORS 293.265 to 293.275.** Except as otherwise provided by law, ORS 293.265 to 293.275 do not apply to:

(1) State funds advanced to meet payrolls or to pay current expenses or emergency claims.

(2) Federal funds the control of which is otherwise directed by federal law or regulation.

(3) Funds of any state institution of higher learning. [Formerly 291.442]

**293.285 Transfers between funds, accounts or appropriations authorized for certain interagency payments.** Notwithstanding the provisions of ORS 293.275 or any other statute relating to interagency payments, the Executive Department may effect interagency payments for goods and services by transfer from the funds, accounts or appropriations of the agency receiving such goods or services, to the funds and

accounts of  
or services.

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