

SENATE BILL REPORT

SB 5171

AS OF JANUARY 28, 1993

Brief Description: Requiring assignment of certain debts owed the state to a collection agency.

SPONSORS: Senators Sutherland, Moore, Vognild, Amondson, von Reichbauer and Bauer

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Dave Cheal (786-7576)

Hearing Dates: February 2, 1993

BACKGROUND:

State agencies currently collect past due debts through traditional collection methods with the assistance of the Attorney General's office. Some agencies have special collection methods established by law.

Personal service contracts between the state and private vendors are subject to a number of legal requirements such as competitive solicitation, minority and women's business requirements, and post audit.

SUMMARY:

State agencies are required to assign all contractual debts that are 90 days or more past due to a licensed collection agency. The assignment must comply with the personal services contracts law, which requires competitive solicitation subject to several exceptions. An agency would be exempt from this requirement if the contract which gave rise to the debt provided otherwise, or if another law provided a different procedure. The Office of Financial Management is given authority to adopt rules under which an agency could waive the assignment to a collection agency.

The bill applies to debts that become due on or after the effective date.

Appropriation: none

Revenue: none

Fiscal Note: requested