
ASSEMBLY BILL NO. 457—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

MARCH 24, 2003

Referred to Committee on Government Affairs

SUMMARY—Makes various changes concerning collection of debts by state agencies and State Controller. (BDR 31-102)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public financial administration; authorizing the State Controller to retain certain overpayments; requiring the State Controller to adopt certain regulations; requiring the State Controller to maintain certain reports regarding debts owed to state agencies; authorizing the State Controller to make certain information regarding debts available to the public in certain circumstances; authorizing the State Controller to enter into certain agreements allowing installment payments by a debtor; increasing the amount that a debtor may be required to pay as reimbursement for the costs and fees actually incurred to collect the debt; authorizing the State Controller to charge and collect certain fees for partial payments and defaults by a debtor with respect to certain agreements; requiring the State Controller to act as the collection agent for certain state agencies; authorizing the State Controller or the Department of Taxation to enter into a contract with a private debt collector; authorizing the State Controller to declare certain debts to be bad debts; removing the date of expiration of certain pilot programs regarding the withholding of certain licenses; and providing other matters properly relating thereto.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 353C of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 *If a debtor overpays a debt or an installment payment on a debt*
4 *pursuant to this chapter and the amount of the overpayment does*
5 *not exceed \$35, the State Controller may retain the overpayment*
6 *unless the debtor submits to the State Controller a written request*
7 *for the refund of the overpayment.*
8 **Sec. 2.** NRS 353C.110 is hereby amended to read as follows:
9 353C.110 The ~~[Director of the Department of Administration~~
10 ~~and the Attorney General may jointly]~~ *State Controller shall* adopt
11 such regulations as *the State Controller determines* are necessary to
12 carry out the provisions of this chapter.
13 **Sec. 3.** NRS 353C.120 is hereby amended to read as follows:
14 353C.120 1. Each agency shall submit to the State Controller
15 periodic reports of the debts owed to the agency. The State
16 Controller shall ~~[maintain]~~ :
17 (a) *Maintain* the reports to the extent that resources are
18 available ~~[- The Director of the Department of Administration and~~
19 ~~the Attorney General shall jointly prescribe]~~ ; and
20 (b) *Prescribe* the time, form and manner of the reports.
21 2. Except *as otherwise provided in subsection 3 and* to the
22 extent that the information on the reports is declared to be
23 confidential by a specific statute of this state or federal law, the
24 State Controller shall make the reports available for public
25 inspection and may, without charge, make available for access on
26 the Internet or its successor, if any, the information contained in the
27 reports.
28 3. *If a report or a portion of a report pertains to a debt that is*
29 *proven to be owed and not in dispute, the State Controller may,*
30 *except to the extent that the report or portion thereof is declared to*
31 *be confidential by federal law:*
32 (a) *Make the report or portion thereof available for public*
33 *inspection; and*
34 (b) *Without charge, make the report or portion thereof*
35 *available for access on the Internet or its successor, if any.*
36 *The provisions of this subsection apply regardless of whether the*
37 *report in question or portion thereof is otherwise declared to be*
38 *confidential by a specific statute of this state.*
39 **Sec. 4.** NRS 353C.130 is hereby amended to read as follows:
40 353C.130 ~~[An]~~
41 1. *The State Controller or an* agency may enter into an
42 agreement with a debtor which provides for the payment of a debt



1 owed by the debtor to the *State Controller or* the agency on an
2 installment basis over a 12-month or lesser period.

3 **2.** Upon good cause shown by the debtor, the *State Controller*
4 *or the* agency may extend the period during which installment
5 payments will be made for more than a 12-month period.

6 **Sec. 5.** NRS 353C.135 is hereby amended to read as follows:

7 353C.135 **1.** Except as otherwise provided by specific statute
8 ~~{}~~ *and subsection 2*, a person who owes a debt ~~{of more than \$200}~~
9 pursuant to this chapter shall, in addition to the debt, pay as
10 reimbursement for the costs and fees actually incurred to collect the
11 debt an amount not to exceed 25 percent of the amount of the debt
12 or ~~[\$25,000.]~~ *\$50,000*, whichever is less. Any prejudgment or
13 postjudgment interest on the debt authorized by law must not be
14 included in the calculation of the costs and fees actually incurred to
15 collect the debt.

16 **2. If a debtor:**

17 (a) *Makes a partial payment on an agreement between the*
18 *State Controller and the debtor, contrary to the agreement; or*

19 (b) *Defaults on an installment payment for which the State*
20 *Controller extended the period of payment to more than 12 months*
21 *pursuant to subsection 2 of NRS 353C.130,*
22 *twelve months or more after the payment was due, the State*
23 *Controller may assess costs and fees for any payment made more*
24 *than 12 months after the first payment. The cumulative amount of*
25 *costs and fees paid pursuant to this subsection may exceed the*
26 *maximum amount set forth in subsection 1.*

27 **Sec. 6.** NRS 353C.195 is hereby amended to read as follows:

28 353C.195 **1.** ~~{The}~~ *Except as otherwise provided in*
29 *subsection 3, the State Controller* ~~{may, if requested by any state~~
30 ~~agency.}~~ *shall* act as the collection agent for ~~{that agency.}~~ *all state*
31 *agencies.*

32 **2.** *The amount of a debt owed to an agency must be*
33 *established on the date the debt is turned over to the State*
34 *Controller for collection. The State Controller may charge interest*
35 *on the debt.*

36 **3.** *The State Controller may, if requested by the Department*
37 *of Taxation, act as the collection agency for the Department of*
38 *Taxation.* If the State Controller acts as the collection agent for ~~{an~~
39 ~~agency, the agency}~~ *the Department of Taxation, the Department*
40 *of Taxation* may coordinate all its debt collection efforts through
41 the State Controller.

42 **Sec. 7.** NRS 353C.200 is hereby amended to read as follows:

43 353C.200 **1.** Except as otherwise provided in subsection 2,
44 ~~{an agency}~~ *the State Controller or the Department of Taxation*



1 may enter into a contract with a private debt collector or any other
2 person for the assignment of the collection of a debt if ~~{the agency:~~

3 ~~—(a) Determines the} :~~

4 (a) *The* assignment is likely to generate more net revenue than
5 equivalent efforts by the ~~{agency}~~ *State Controller or Department*
6 *of Taxation, as applicable*, to collect the debt, including collection
7 efforts pursuant to this chapter;

8 (b) ~~{Determines the}~~ *The* assignment will not compromise future
9 collections of state revenue; and

10 (c) ~~{Notifies the}~~ *The* debtor *is notified* in writing at his address
11 of record that the debt will be turned over for private collection
12 unless the debt is paid.

13 2. ~~{An agency shall not}~~ *Neither the State Controller nor the*
14 *Department of Taxation may* enter into a contract with a private
15 debt collector or any other person for the assignment of the
16 collection of a debt if the debt has been contested by the debtor.

17 3. A contract for the assignment of the collection of a debt may
18 provide for:

19 (a) Payment by the ~~{agency}~~ *State Controller or the*
20 *Department of Taxation* to the private debt collector or other person
21 of the costs of collection and fees for collecting the debt; or

22 (b) Collection by the private debt collector or other person from
23 the debtor of the costs of collection and fees for collecting the debt.

24 ~~{4.—Any contract entered into pursuant to this section is subject~~
25 ~~to approval by the Director of the Department of Administration and~~
26 ~~the State Controller.}~~

27 **Sec. 8.** NRS 353C.220 is hereby amended to read as follows:

28 353C.220 1. ~~{}~~ *Except as otherwise provided in subsection*
29 *3, if* an agency determines that it is impossible or impractical to
30 collect a debt, the agency may request *that* the State Board of
31 Examiners ~~{to}~~ designate the debt as a bad debt. ~~{The}~~ *Except as*
32 *otherwise provided in subsection 3, the* State Board of Examiners,
33 by an affirmative vote of the majority of the members of the Board,
34 may designate the debt as a bad debt if the Board is satisfied that the
35 collection of the debt is impossible or impractical.

36 2. Upon the designation of a debt as a bad debt pursuant to
37 ~~{this section,}~~ *subsection 1*, the State Board of Examiners shall
38 immediately notify the State Controller ~~{thereof.}~~ *of that*
39 *designation*. Upon receiving the notification, the State Controller
40 shall direct the removal of the debt from the books of account of the
41 State of Nevada.

42 3. *If the State Controller determines that it is impossible or*
43 *impractical to collect a debt of \$500 or less, he may designate the*
44 *debt as a bad debt.*



1 **4.** A bad debt that is removed pursuant to this section remains a
2 legal and binding obligation owed by the debtor to the State of
3 Nevada.

4 ~~{3.}~~ **5.** If resources are available, the State Controller shall
5 keep a master file of all debts that are designated as bad debts
6 pursuant to this section. If such a file is established and maintained,
7 for each such debt, the State Controller shall record the name of the
8 debtor, the amount of the debt, the date on which the debt was
9 incurred and the date on which it was removed from the records and
10 books of account of the agency or the State of Nevada, and any
11 other information concerning the debt that the State Controller
12 determines is necessary.

13 **Sec. 9.** Section 16 of chapter 389, Statutes of Nevada 2001, at
14 page 1883, is hereby amended to read as follows:

15 Sec. 16. ~~{4.}~~ This act becomes effective upon passage
16 and approval.

17 ~~{2. Sections 13, 14 and 15 of this act expire by limitation~~
18 ~~on October 1, 2003.}~~

19 **Sec. 10.** This act becomes effective upon passage and
20 approval.

