

1 SB123
2 196868-2
3 By Senator Melson
4 RFD: Governmental Affairs
5 First Read: 19-MAR-19

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8 SYNOPSIS: Under existing law, the Department of
9 Revenue will set off an income tax refund against a
10 certified sum of money owed to certain claimant
11 agencies, to assist those claimant agencies with
12 the collection of unpaid debts, under certain
13 conditions.

14 This bill would clarify that sums collected
15 on behalf of a claimant agency by entities
16 otherwise authorized by law to collect those sums
17 are considered debts for the purposes of set off
18 debt collection.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

23
24 To amend Section 40-18-100, Code of Alabama 1975,
25 relating to set off debt collection by the Department of
26 Revenue; to further clarify that sums collected on behalf of a
27 claimant agency by entities otherwise authorized by law to

1 collect those sums are considered debts for the purposes of
2 set off debt collection.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-18-100, Code of Alabama 1975,
5 is amended to read as follows:

6 "§40-18-100.

7 "For the purposes of this article, the following
8 terms shall have the ~~respective~~ following meanings ~~ascribed by~~
9 ~~this section~~:

10 "(1) CLAIMANT AGENCY. ~~Only~~ Any of the following:

11 "a. The Alabama Commission on Higher Education with
12 respect to the collection of debts under either of the
13 following:

14 "1. The Alabama Student Grant Program provided for
15 by Chapter 33A of Title 16, ~~and~~.

16 "2. The Alabama Guaranteed Student Loan Program
17 provided for by Chapter 33B of Title 16.

18 "b. The Alabama Department of Human Resources with
19 respect to the collection of debts and money owed under any
20 and all of its public assistance programs and other programs
21 administered by that department, including support programs
22 administered pursuant to the requirements of Title IV-D of the
23 Social Security Act.

24 "c. The Alabama Medicaid Agency with respect to the
25 collection of debts and money owed under any and all of the
26 programs it administers.

1 "d. The Alabama Department of Labor with respect to
2 the collection or recovery, or both, of debts owed as a result
3 of overpayments of state unemployment compensation benefits.

4 "e. The Unified Judicial System with respect to the
5 collection of fines and court costs owed as a result of any
6 court or judicial proceeding.

7 "f. Counties and municipalities acting through an
8 organization as provided in Section 40-18-103, with respect to
9 the collection of any debt owed and finalized by law,
10 ordinance, or resolution. For the purposes of this section and
11 Section 40-18-103, counties and municipalities ~~shall include,~~
12 without limitation, shall include all corporations and other
13 instrumentalities whose governing boards are comprised of a
14 majority of members who are appointed or elected by counties
15 or municipalities.

16 "g. A housing authority under Chapter 1, Title 24,
17 with respect to the collection of debts and money owed under
18 any and all of the programs administered by the authority.

19 "(2) DEBTOR. Any individual owing money or having a
20 delinquent account with any claimant agency, which obligation
21 has not been adjudicated, satisfied by court order, set aside
22 by court order, or discharged in bankruptcy.

23 "(3) DEBT. Any liquidated sum due and owing any
24 claimant agency, including any sum collected on behalf of a
25 claimant agency pursuant to an agreement authorized by
26 subdivision (30) of subsection (a) of Section 22-21-318 or
27 Section 11-62-7, which has accrued through contract,

1 subrogation, tort, or operation of law regardless of whether
2 there is an outstanding judgment for that sum, or any
3 liquidated sum of child or spousal support, or both child and
4 spousal support, due and owing any individual eligible for and
5 receiving child support enforcement services through the
6 Alabama Department of Human Resources.

7 "(4) DEPARTMENT. The Department of Revenue of the
8 State of Alabama.

9 "(5) REFUND. The Alabama income tax refund which the
10 department determines to be due any individual taxpayer."

11 Section 2. This act shall become effective
12 immediately following its passage and approval by the
13 Governor, or its otherwise becoming law.