

HOUSE BILL No. 2114

By Committee on Judiciary

1-28

1 AN ACT concerning setoff against debtors of the state; amending K.S.A.
2 2012 Supp. 75-6210 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2012 Supp. 75-6210 is hereby amended to read as
6 follows: 75-6210. (a) Upon completion of a setoff transaction, the director
7 shall transfer the net proceeds collected to the account or fund of the state
8 agency, foreign state agency or municipality to which the debt was owed.

9 (b) (1) From the gross proceeds collected by the director through
10 setoff, the director shall retain a reasonable collection assistance fee in an
11 amount based on cost, as determined by generally accepted cost allocation
12 techniques, except that in the case of transactions for collection of debts
13 arising from the employment security law such fee shall not exceed \$300
14 for any transaction.

15 (2) The director shall retain a reasonable collection assistance fee
16 from the gross proceeds of collections through setoff on behalf of a
17 municipality as specified in an agreement entered into pursuant to K.S.A.
18 75-6204, and amendments thereto, or foreign state agency in such amount
19 as specified in the reciprocal agreement entered into pursuant to K.S.A.
20 75-6215, and amendments thereto.

21 (3) *The collection assistance fee shall be paid as an additional cost*
22 *for all debts owed to the court when the court utilizes debt setoff*
23 *procedures pursuant to K.S.A. 75-6202 et seq., and amendments thereto.*
24 *The collection assistance fee shall be retained from the amount collected,*
25 *but shall not be deducted from the debts owed to the court.*

26 (4) The director may credit a portion of the collection assistance fee
27 to the appropriate account or fund of any other state agency that has
28 incurred expenses in assisting in the collection of the debt.

29 (5) The amount of the collection assistance fee retained by the
30 director shall be remitted to the state treasurer in accordance with the
31 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
32 each such remittance, the state treasurer shall deposit the entire amount in
33 the state treasury to the credit of the accounting services recovery fund.

34 (c) Upon receipt by the state agency, foreign state agency or
35 municipality of the net proceeds collected, the state agency, foreign state
36 agency or municipality shall credit the debtor's obligation in the amount of

1 the gross proceeds collected.

2 (d) Except as otherwise prescribed by the director or the secretary of
3 administration, any state agency, foreign state agency or municipality
4 which receives any payment from a debtor after notification to the debtor
5 under K.S.A. 75-6206, and amendments thereto, other than payments
6 collected pursuant to K.S.A. 44-718, and amendments thereto, or collected
7 through the federal government or judicial process, shall remit the
8 collection assistance fee imposed under subsection (b) to the director
9 which shall be credited to the accounting services recovery fund. If a state
10 agency fails to remit the collection assistance fee as required by this
11 subsection, the director may transfer an amount equal to such collection
12 assistance fee from the appropriate account or fund of the state agency to
13 the accounting services recovery fund. If a foreign state agency or
14 municipality fails to remit the collection assistance fee as required by this
15 subsection, the director may seek collection of such fee in such manner as
16 may be allowed by law.

17 (e) In cases involving the collection of debts arising from the
18 employment security law, the entire amount collected shall be credited to
19 the employment security fund and the collection assistance fee shall be
20 transferred from the special employment security fund to the accounting
21 services recovery fund.

22 Sec. 2. K.S.A. 2012 Supp. 75-6210 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its
24 publication in the statute book.