

1 HB46  
2 147042-1  
3 By Representative Clouse  
4 RFD: County and Municipal Government  
5 First Read: 05-FEB-13  
6 PFD: 01/24/2013

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8 SYNOPSIS: Under existing law, certain state agencies  
9 are entitled to submit debts owed to them to the  
10 Department of Revenue for collection through  
11 setoff.

12 This bill would allow each county or  
13 municipality within this state to setoff from  
14 income tax returns with respect to the collection  
15 of debts and money owed to either of them as a  
16 result of any administrative or judicial  
17 proceeding.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT

22  
23 To amend Section 40-18-100, Code of Alabama 1975,  
24 relating to setoff debt collection; to allow each county or  
25 municipality within this state to setoff from income tax  
26 returns with respect to the collection of debts and money owed

1 to either of them as a result of any administrative or  
2 judicial proceeding.

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 meanings ascribed by this  
9 section:

10 "(1) CLAIMANT AGENCY. Only:

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

13 "1. The Alabama Student Grant Program provided for  
14 by Chapter 33A of Title 16; and

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

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

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

26 "d. The Alabama Department of Industrial Relations  
27 with respect to the collection or recovery, or both, of debts

1 owed as a result of overpayments of state unemployment  
2 compensation benefits.

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

6 "f. Each county or municipality within this state  
7 with respect to the collection of debts and money owed to  
8 either of them as a result of any administrative or judicial  
9 proceeding.

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

14 "(3) DEBT. Any liquidated sum due and owing any  
15 claimant agency which has accrued through contract,  
16 subrogation, tort, or operation of law regardless of whether  
17 there is an outstanding judgment for that sum, or any  
18 liquidated sum of child or spousal support, or both child and  
19 spousal support, due and owing any individual eligible for and  
20 receiving child support enforcement services through the  
21 Alabama Department of Human Resources.

22 "(4) DEPARTMENT. The Department of Revenue of the  
23 State of Alabama.

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

1                   Section 2. This act shall become effective on the  
2           first day of the third month following its passage and  
3           approval by the Governor, or its otherwise becoming law.