

1 HB60  
2 203828-1  
3 By Representative Crawford  
4 RFD: State Government  
5 First Read: 04-FEB-20  
6 PFD: 01/28/2020

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

This bill would include public institutions of higher education as a claimant agency under certain conditions.

A BILL  
TO BE ENTITLED  
AN ACT

To amend Section 40-18-100, Code of Alabama 1975, as last amended by Act 2019-184, 2019 Regular Session, relating to set off debt collection by the Department of Revenue, to include public institutions of higher education as claimant agencies under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 40-18-100, Code of Alabama 1975,  
2 as last amended by Act 2019-184, 2019 Regular Session, is  
3 amended to read as follows:

4           "§40-18-100.

5           "For the purposes of this article, the following  
6 terms shall have the following meanings:

7           "(1) CLAIMANT AGENCY. Any of the following:

8           "a. The Alabama Commission on Higher Education with  
9 respect to the collection of debts under either of the  
10 following:

11           "1. The Alabama Student Grant Program provided for  
12 by Chapter 33A of Title 16.

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

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

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

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

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

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

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

16 "h. A public institution of higher education with  
17 respect to the collection of debts and money owed under any  
18 and all of the programs it administers.

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 which has accrued through contract,  
25 subrogation, tort, or operation of law regardless of whether  
26 there is an outstanding judgment for that sum, or any  
27 liquidated sum of child or spousal support, or both child and

1 spousal support, due and owing any individual eligible for and  
2 receiving child support enforcement services through the  
3 Alabama Department of Human Resources. An agreement between a  
4 claimant agency defined in paragraph f. of subdivision (1) and  
5 a public entity or non-profit established by a public entity  
6 authorized by subdivision (30) of subsection (a) of Section  
7 22-21-318 or Section 11-62-7 for management or administrative  
8 services does not affect the claimant agency's ability to  
9 collect the debt defined herein.

10 "(4) DEPARTMENT. The Department of Revenue of the  
11 State of Alabama.

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

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