

SENATE BILL NO. 49

INTRODUCED BY B. BROWN

BY REQUEST OF THE DEPARTMENT OF REVENUE AND
THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 7, 1985	Introduced and referred to Committee on Taxation.
January 8, 1985	Fiscal Note requested.
January 12, 1985	Fiscal Note returned.
January 22, 1985	Committee recommend bill do pass as amended. Report adopted.
January 23, 1985	Bill printed and placed on members' desks.
January 24, 1985	Second reading, do pass.
January 25, 1985	Considered correctly engrossed.
January 26, 1985	Third reading, passed. Ayes, 39; Noes, 7.
	Transmitted to House.

IN THE HOUSE

January 28, 1985	Introduced and referred to Committee on Taxation.
March 14, 1985	Committee recommend bill be concurrred in. Report adopted.
March 16, 1985	Second reading, concurrred in.
March 18, 1985	Third reading, concurrred in. Returned to Senate.

IN THE SENATE

March 18, 1985

Received from House.

March 19, 1985

Sent to enrolling.

Reported correctly enrolled.

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8 COLLECTION OF DELINQUENT TAXES AND OTHER FUNDS OWED TO THE
9 STATE BY OFFSETTING THE AMOUNT DUE TO THE TAXPAYER OR OTHER
10 PERSON FROM A STATE AGENCY; AMENDING SECTIONS 17-4-105 AND
11 20-25-312, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 NEW SECTION. Section 1. Authority to collect tax --
15 offset -- hearing. (1) The department shall collect taxes
16 that are delinquent as determined under this chapter.

17 (2) To collect delinquent taxes, the department may
18 direct the offset of tax refunds or other funds due the
19 taxpayer from the state, except state employees' wages and
20 retirement benefits. The offset is a first and prior claim
21 over any other claim.

22 (3) As provided in 15-1-705, the taxpayer has the
23 right to a hearing on the tax liability prior to any offset
24 by the department.

25 (4) The department may file a claim for state funds on

1 behalf of the taxpayer if a claim is required before funds
2 are available for offset.

3 Section 2. Section 17-4-105, MCA, is amended to read:
4 "17-4-105. Authority to collect debt -- offsets (1)
5 Once a debt of a state agency has been transferred to the
6 department, the department shall have the authority to
7 collect it, including the power to offset tax refunds due to
8 individuals against the debt transferred by the state agency
9 to the department provided the department may not exercise
10 this right of offset until the debtor has first been
11 notified by the department and given an opportunity for a
12 hearing. The department may contract with commercial
13 collection agencies for recovery of debts owed the state by
14 debtors residing outside the boundaries of the state.

15 (2) ~~In his discretion it is the duty of~~ Upon
16 notification by the department, the state auditor to shall
17 offset any amount due a state agency from a person or entity
18 against any amount owing such person or entity by any state
19 agency. The state auditor may shall deduct from the claim
20 and draw his warrants for the amounts offset in favor of the
21 respective state agencies to which due and for any balance
22 in favor of the claimant. Whenever insufficient to offset
23 all amounts due state agencies, the amount available shall
24 be applied in such manner as the state auditor, in his
25 discretion, shall determine.



1 (3) If, in the discretion of the state auditor, the
 2 person or entity refuses or neglects to file his claim
 3 within a reasonable time, the head of the state agency owing
 4 the amount shall file the claim on behalf of such person or
 5 entity; if approved by the department of administration, it
 6 shall have the same force and effect as though filed by such
 7 person or entity. The amount due any person or entity from
 8 the state or any agency thereof is the net amount otherwise
 9 owing such person or entity after any offset as in this
 10 section provided."

11 Section 3. Section 20-25-312, MCA, is amended to read:

12 "20-25-312. Motor vehicle regulation -- enforcement of
 13 regulations -- appeals. (1) The regents may authorize the
 14 president of each unit to:

15 (a) assess fees not to exceed \$10 per quarter for
 16 parking on campus;

17 (b) assess fines in accordance with a published
 18 schedule for violations of motor vehicle or parking
 19 regulations of each unit in an amount not to exceed \$10 per
 20 offense;

21 (c) order the removal of vehicles parked in violation
 22 of motor vehicle regulations of each unit at the expense of
 23 the violator;

24 (d) establish a system of appeals at each unit
 25 concerning parking violations;

1 (e) withhold the amount of any unpaid parking fine
 2 from any amount owing any student, employee, or faculty
 3 member, subject to ~~the concurrence of the state auditor~~
 4 under the provisions of 17-4-105;

5 (f) prohibit a student from registering if said
 6 student has unpaid parking assessments or fines outstanding
 7 resulting from on-campus motor vehicle or parking violations
 8 within the previous year.

9 (2) The proceeds from fines and fees collected shall
 10 be remitted to the unit at which collections are made to be
 11 used for appropriate maintenance and construction of parking
 12 facilities and for traffic control."

13 NEW SECTION. Section 4. Extension of authority. Any
 14 existing authority of the department of revenue to make
 15 rules on the subject of the provisions of this act is
 16 extended to the provisions of this act.

17 NEW SECTION. Section 5. Codification instruction.
 18 Section 1 is intended to be codified as an integral part of
 19 Title 15, chapter 30, part 3, and the provisions of Title
 20 15, chapter 30, apply to section 1.

21 NEW SECTION. Section 6. Effective date. This act is
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STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN027-85

Form BD-15

In compliance with a written request received January 8, 19 85, there is hereby submitted a Fiscal Note for S.B. 49 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION:

An act to require the Department of Revenue and the State Auditor to coordinate collection of delinquent taxes and other funds owed to the State by offsetting the amount due to the taxpayer or other person from a state agency.

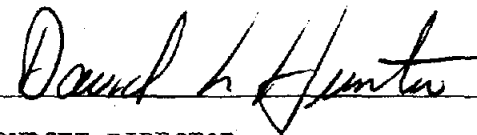
ASSUMPTIONS:

- (1) Approximately \$ 100,000 or more a year is lost in bad debts.
- (2) The system will realize approximately 200 or more additional collections per year.

FISCAL IMPACT:

Department of Revenue: None.

State Auditor: Under the above assumption the auditor would require an additional .50 FTE at Grade 8. A cost for the biennium of \$15,860. However, if the additional number of collections is less than 200 per year the State Auditor could process the additional collections without additional staff.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 12, 1985

APPROVED BY COMMITTEE
ON TAXATION

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20 APPEAL HAS EXPIRED, the department may direct the offset of
21 tax refunds or other funds due the taxpayer from the state,
22 except state-employees' wages SUBJECT TO THE PROVISIONS OF
23 25-13-614 and retirement benefits. ~~The offset is a first and~~
24 ~~prior claim over any other claim.~~

25 (3) As provided in 15-1-705, the taxpayer has the

1 right to a hearing on the tax liability prior to any offset
2 by the department.

3 (4) The department may file a claim for state funds on
4 behalf of the taxpayer if a claim is required before funds
5 are available for offset.

6 (5) THE DEPARTMENT MUST PROVIDE THE TAXPAYER WITH
7 NOTICE OF THE RIGHT TO REQUEST A HEARING UNDER THE CONTESTED
8 CASE PROCEDURES OF TITLE 2, CHAPTER 4, ON THE MATTER OF THE
9 OFFSET ACTION OR THE DEPARTMENT INTENT TO FILE A CLAIM ON
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11 WITHIN 30 DAYS OF THE DATE OF THE NOTICE AND SUCH HEARING,
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1 parking on campus;

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6 (c) order the removal of vehicles parked in violation
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