

# Minutes Accounts Receivable Core Committee (ARCC)



**Meeting Date:** May 21, 2019 2:00pm-3:00pm

**Location:** Executive Building, Conference Room B

**Attendees:** Andria Abrahamson (Forestry), Heidi Baker (DHS/OHA), Sheila Banke (DOJ), Brad Batchelor (PUC), Stephen Berrios (OED), Amy Brewer (OYA), Travis Clark (DHS/OHA), Gerold Floyd (DAS-SWARM), Svetlana Fadden (DHS), Lane Foulger (DCBS), Kim Hall (WRD), Sharon Hood, (DAS), Steven Ito (DOR), Craig Kiernan (OHCS), Tiffany Lane (DHS), Darcy McCulloch (OSP), Katya Medvedeva (DAS), Monique Murphy (HECC), Sue Nunley (DOJ), Dora Olivan (DCBS), Matt Powell (DPSST), Cindy Stockstill (OPRD)

**Attendees by phone:** Susan Cha (OCB), Dean Criscola (OED), Connie Dominguez (ODF), Marie Elkins (PERS), Jeff Hanson (HRLB), Jennifer Hodgdon (Lottery), Caty Karayel (REA), Michael Pepler (ODOE), Allan Rempel (OCB), Ellie Shoholm (OED), Mary Smith (PERS)

ITEM	ACTION, DISCUSSION
Welcome and introductions	
SWARM announcements	<ul style="list-style-type: none"> <li>LFO training is scheduled for 8/28/19 from 9:00-11:00. An email announcement will be coming soon.</li> </ul>
Legislative update	<p>Gerold shared the current status (committee assignments, hearing dates, etc.) of bills that SWARM is observing during the legislative session (see attached list).</p> <p>If your agency has any other bills that could impact A/R, even if only for your agency please email <a href="mailto:SWARM@oregon.gov">SWARM@oregon.gov</a> with the bill number so we can monitor as well.</p>
Credit card chargebacks- how does your agency handle?	<p>The question was posed by an agency interested in learning more about how other agencies handle chargebacks from credit card companies. Does your agency establish an A/R to collect, or pursue arbitration with the credit card company?</p> <p>In previous information provided, ODOT indicated that arbitration is not used because the arbitration is binding regarding the amount that can be legally collected and if the agency loses the hearing it may be responsible for the arbitration fees.</p> <p>OED- often the balance is too small to pursue the arbitration option. OED provides the initial requested data to the company but will typically restore the debt to pursue collection if the chargeback stands.</p> <p>OPRD- For campsite reservations made online, the credit card is not charged until the date of stay. This typically means the chargeback is occurring after services have been provided and in some cases the card was used fraudulently.</p>

For more information, send an email to: [SWARM@oregon.gov](mailto:SWARM@oregon.gov).

	WRD- There are five types of agency fees that can be paid with a credit card currently. There have only been two chargebacks in ten years, so no formal policy. It was noted that the agency is planning to start accepting credit cards at the lobby counter.
Account assignment/exemption policy and application for agencies (OAM 35.40.10)	<p>As a follow up to last month's topic regarding unassigned, non-exempt accounts SWARM wanted to reiterate the policy (<a href="#">OAM 35.40.10</a>) regarding assignment and exemptions. Some people have indicated that they believed that an account that meets an exemption criteria <b>cannot</b> be assigned, which is <u>NOT</u> true. An agency may choose not to assign accounts that meet an exemption criteria. (<i>Note: OAM 35.40.10 does not apply to accounts that are prohibited by law from being transferred to a collection firm.</i>)</p> <p>OAM 35.40.10 provides the criteria for an account to be exempt from assignment, some examples include: accounts secured by a consensual security interest (such as a mortgage), is in litigation or mediation (including accounts at DOJ, bankruptcy or administrative appeal), government debts, imprisoned debtor, accounts less than \$100, closed estate, non-consensual lien on property. When an agency exempts an account from assignment, the agency <b>MUST</b> continue reasonable effort to collect the debt. Agencies should periodically review exempt accounts to determine if the exemption still applies, once the account is no longer subject to the exemption it must be assigned if no payment has been received for 90 days.</p> <p>NSF checks are a liquidated debt because the debtor has already acknowledged the liability and amount of the debt, however due process requires that the debtor be notified of the returned item and should be given a chance to resolve the issue or provide proof that the account was subject to fraud. Reminder, ORS 30.701 allows for a fee of \$35 to be charged for NSF checks. Generally there should be a written notice or posting at locations where payments are accepted and/or on the agencies website regarding how the agency handles NSF checks.</p>
Roundtable	No roundtable items were raised.

**Next meeting:**

June 18, 2019

2:00pm – 3:00pm

Executive Building, Room B

Upcoming events are listed on the SWARM website:

<http://www.oregon.gov/das/Financial/Acctng/Pages/AR.aspx>

2019 Legislative Session

Bills with A/R impacts

Bill#	Summary	Status as of 5/20	Hearing or Work Session Date	Notes
SB 72	Clarifies definition of "state agency" in sections of ORS 293.	-2 passed Senate 3/14, (House) Rules 3/20	5/16 public hearing 5/20 work session	-2 Amendment clarifies 293.226 does not include Judicial, Sec. of State or Treasurer. Passed Senate 22-8.
SB 79	Provides that Department of Revenue may assist public bodies, public universities and Oregon Health and Science University in collecting delinquent accounts.	-2 passed Senate 3/7, referred to (House) Revenue 4/18	5/14 public hearing 5/29 work session	-2 amendment revises bill to all collection for State Bar on client security fund and modifies authority to provide service to local governments only through offset of refunds or sums due from the department or any other state agency.
SB 454	Transfers administration of Uniform Disposition of Unclaimed Property Act, unclaimed estates and escheating funds from Department of State Lands to State Treasurer.	(Senate) Business and Gen Govt. approved 2/21, referred to Ways and Means 2/27		-2 Amendment cleans up language on transfers of funds. Oregon is only one of two states not managed by Treasurer.
SB 519	Increases minimum wage exemption for purposes of garnishment and execution.	(Senate) Workforce approved 3/7, passed Senate 3/19 (30-0). (House) Business and Labor approved 5/13	House Third Reading 5/27	-1 amendment removes emergency clause and changes the minimum exemption amounts from a 25% increase to a 16% increase. This law was last updated in 2011, the average rate of inflation is 2% annually, so this change brings the minimum exemption up based on inflation.
SB 523	Authorizes Department of Revenue to make publicly available by posting online information about delinquent tax debtors.	-1 passed Senate 3/26 (28-2), (House) Revenue 3/28	4/30 public hearing, 5/21 work session	-1 amendment clarifies that debts over \$50,000 may be published.
SB928	Establishes Oregon Climate Authority	(Senate) Environment and Natural Resources passed 4/15		

		referred to Ways and Means		
SB980	DOC collection from inmate trust accounts for court ordered financial obligations.	-1 passed Senate 4/24, (House) Judiciary 4/29	Work session 5/23	
HB 2094	Permits contracting agency to consider at any time before executing public contract with bidder or proposer whether bidder or proposer owes debt to state.	House passed 3/6, Senate passed 5/6. House concurred with Senate amendments 5/8	Awaiting Gov. signature	Effective 90 days following sine die.
HB2116	Directs Department of Revenue to establish automated method for tax compliance certification not later than January 1, 2020	(House) Revenue	2/21 hearing	
HB 2196	Adds OMD firefighters to list of PERS category firefighters for retirement	House passed 4/17, Senate passed 5/14	Awaiting Gov. signature	
HB2614	Repeals driving privilege suspension and eliminates imposition of driving privilege restrictions for failure to pay fine.	Passed House on 3/19. Referred to Ways and Means.		
HB3401	Abolishes Orchardgrass Seed Producers Commission. –A2 amendment establishes Oregon Pulse Crops Commission (chickpea, dry bean, dry pea, fava bean, lentil and lupin bean).	House passed 4/23. (Senate) Business and Govt passed 5/14.		
HB5044	Appropriates money to the Oregon Climate Authority	(House) Ways and Means, Natural Resources sub-committee 1/23		

Bills that did not receive a scheduled work session by 3/29 deadline

SB 6	Increases minimum wage exemption for purposes of garnishment and execution.	(Senate) Workforce 1/5		
SB 267	Transfers duties, functions and powers of State Department of Energy related to issuance of loans for small scale local energy projects to Oregon Business Development Department	(Senate) Environment and Natural Resources 1/15		

SB 295	Provides that when state agency is required by statute to mail notice to person, and agency has on file post office box address, agency must mail notice to post office box address.	(Senate) Business and Gen Govt 1/15		
SB 384	Directs State Court Administrator to study options for deprivatizing collection of court fees and fines	(Senate) Judiciary to Ways and Means 1/16		
HB 2517	Prohibits state agencies from suspending or revoking license required to pursue commercial activity, trade, occupation or profession because licensee is delinquent in paying student loan debt.	(House) Business and Labor 1/18	3/6 public hearing	Rep. Doherty testified, 22 other states prohibit. Oregon doesn't currently but wants to make sure we don't.