

WAC 82-06-010 Waiver of interest on past due receivables. (1)

Under RCW 43.17.____ (section 2, chapter 85, Laws of 1991), state agencies may waive the mandatory one percent per month interest charge on past due receivables if any of the following criteria apply:

(a) It would not be cost effective to charge interest on an individual debt or a class of debts. This includes, but is not limited to, the following:

(i) Situations where the cost of charging interest is expected to exceed the amount of interest received;

(ii) Situations where the cost of developing systems to charge interest is expected to exceed the amount of interest received. The word "systems" in this context refers to both computer systems and general systems of managing and processing receivables.

(b) Late payment was caused by the state, such as by providing incorrect information or instructions, or by providing necessary forms and instructions too late for timely payment when the forms or instructions had been ordered timely.

(c) The delinquency was caused by the death or serious illness of:

(i) The person responsible for paying the debt; or

(ii) A person whose assistance was vital to the payment, such as the accountant; or

(iii) A person in the immediate family of a person in (i) or (ii) of this subsection.

(d) Payment was made on time, but to the wrong governmental agency.

(e) The delinquency was caused by the destruction by fire or other casualty of the debtor's place of business, home, or records.

(f) Late payment was caused by natural disasters, disruptions in postal or delivery service, power failures, work stoppages due to labor disputes, or any other cause resulting from circumstances clearly beyond the control of the debtor.

(g) The account is subject to good faith dispute when, before the date of timely payment, notice of the dispute is:

(i) Sent by certified mail; or

(ii) Personally delivered; or

(iii) Sent in accordance with procedures in the contract.

(h) The debt is for public assistance or food stamp overpayments to individuals, where the overpayments were not in whole or in part caused by the recipients.

(i) Late payment on the debt is the result of late payment by another payor, such as when a person damages state property but does not know the amount of his or her personal obligation to the state until the portion covered by the person's liability insurance is known.

(j) The charging of interest would damage international relations.

(2) Requests for waivers of interest under criteria in subsection (1)(b), (c), (d), (e), and (f) of this section must be in letter form, must contain all pertinent facts, must be accompanied by such proof as is available, and must be received by the department within sixty days of the incident. The burden of proving the facts is on the debtor.

Waivers under the remaining criteria in subsection (1) of this section must be documented for the purpose of audits by the state auditor's office.

(3) Each agency must apply the criteria in subsection (1) of this section consistently.

[Statutory Authority: 1991 c 85 § 2. WSR 91-18-028, § 82-06-010, filed 8/28/91, effective 9/29/91.]