

SENATE BILL REPORT

EHB 1228

AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 8, 1991

Brief Description: Managing state government receivables.

SPONSORS: Representatives Brumsickle, Wang, Holland and Paris; by request of Office of Financial Management.

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, Johnson, L. Kreidler, Matson, Metcalf, Murray, Newhouse, Niemi, Owen, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Terry Wilson (786-7715)

Hearing Dates: April 4, 1991; April 8, 1991

BACKGROUND:

State agencies have several tools for collecting debts owed to the state, commonly referred to as "receivables." Several agencies, including the Department of Revenue (DOR), the Department of Social and Health Services (DSHS), and the Employment Security Department (ESD), may assess interest on debts paid after they are due. DOR charges interest at the rate of 9 percent per year on late payment of excise taxes, while DSHS and ESD charge interest at the rate of 1 percent per month on their receivables. These agencies often assess penalties in addition to the interest. State agencies may also inform credit reporting agencies of receivables that are past-due when such reporting is cost-effective and does not violate confidentiality.

SUMMARY:

Any state agency may assess interest at the rate of 1 percent per month on receivables from the date the receivables are due. State agencies may inform credit reporting agencies of debts owed the state before the receivables are due.

The bill applies only to debts that become due on or after the effective date of the bill.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

This will improve the collection of funds for the state.

TESTIMONY AGAINST: None

TESTIFIED: Don Pensula, Office of Financial Management (pro)