



Senate

General Assembly

File No. 394

February Session, 2000

Substitute Senate Bill No. 595

Senate, April 4, 2000

The Committee on Judiciary reported through SEN. WILLIAMS of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

An Act Concerning Collection Attorneys.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 4a-12 of the general statutes, as amended by section 1 of
2 public act 99-2 and section 2 of public act 99-193, is repealed and the
3 following is substituted in lieu thereof:

4 (a) The Commissioner of Administrative Services shall be
5 responsible for the following: (1) Investigation, determination, billing
6 and collection of all charges for support of persons aided, cared for or
7 treated in a state humane institution, as defined in section 17b-222, and
8 enforcement of support obligations of the liable relatives of such
9 persons; (2) billing and collection of any money due to the state in
10 public assistance cases, and enforcement of support obligations of
11 liable relatives in such cases; (3) collection of benefits and maintenance
12 of trustee accounts therefor; and (4) such collection services for other
13 state agencies and departments as shall be agreed to between said
14 commissioner and the heads of such other agencies and departments.

15 (b) Any debt referred to the Department of Administrative Services
16 by a state agency may be referred by the commissioner to a consumer
17 collection agency, licensed under section 36a-801, or to an attorney
18 admitted under the provisions of section 51-80 who practices in the
19 area of debt collection, for collection, provided the debtor has been
20 given at least thirty days' notice that the debt will be so referred.

21 (c) For purposes of this section, "liable relative" means the husband
22 or wife of any person receiving public assistance or aided, cared for or
23 treated in a state humane institution, as defined in said section 17b-222,
24 and the father and mother of any such person under the age of
25 eighteen years, but shall not include the parent or parents whose
26 financial liability for a child is determined by the Bureau of Child
27 Support Enforcement under subsection (b) of section 17b-179. The
28 Commissioner of Administrative Services, in consultation with the
29 Secretary of the Office of Policy and Management, shall adopt
30 regulations in accordance with the provisions of chapter 54
31 establishing: (1) A uniform contribution scale for liable relatives based
32 upon ability to pay and the administrative feasibility of collecting such
33 contributions, provided no such liable relative shall contribute an
34 amount in excess of twelve per cent of the remainder, if any, after the
35 state median income, adjusted for family size, has been deducted from
36 such liable relative's taxable income for federal income tax purposes, or
37 if such federal income tax information is unavailable, from such
38 relative's taxable income, as calculated from other sources, including,
39 but not limited to, information pertaining to wages, salaries and
40 commissions as provided by such relative's employer; (2) the manner
41 in which the Department of Administrative Services shall determine
42 and periodically reinvestigate the ability of such liable relatives to pay;
43 and (3) the manner in which the department shall waive such
44 contributions upon determination that such contribution would pose a
45 significant financial hardship upon such liable relatives.

46 (d) Notwithstanding the provisions of subsection (c) of this section,

47 no liability shall be imposed upon a liable relative upon determination
48 by the Department of Mental Retardation, Social Services, Children
49 and Families, Mental Health and Addiction Services or Public Health
50 that the benefit of the assistance or service provided would be
51 significantly impaired by the imposition of such liability. Each such
52 department may waive all or part of any liability resulting from its
53 delay in establishing such liability if it determines that imposition of
54 such liability would pose a significant financial hardship upon a liable
55 relative.

JUD Committee Vote: Yea 40 Nay 0 JFS

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Administrative Services

Municipal Impact: None

Explanation

State Impact:

The passage of this bill is not anticipated to have a fiscal impact to the state. The bill allows the Commissioner of the Department of Administrative Services (DAS) to refer certain debts owed to the state to attorneys who practice in the area of debt collection. No fiscal impact is expected because (1) DAS utilizes the legal services provided by the debt collection unit in the Office of the Attorney General (AG) at no cost and (2) the AG currently has the authority to contract for outside legal services for debt collection (as well as in any other area) when they find that it is in the state's best interest to do so. In addition, DAS already refers debts to licensed consumer collection agencies, which are paid on a contingency basis.

OLR Bill Analysis

sSB 595

AN ACT CONCERNING COLLECTION ATTORNEYS.**SUMMARY:**

This bill allows the Department of Administrative Services (DAS) commissioner to refer certain debts owed to state agencies to attorneys admitted in this state who practice in the area of debt collection. By law, these debts must be referred to DAS by the state agency. As under current law, DAS can refer these debts to licensed consumer collection agencies, and DAS must give the debtor 30 days notice before referring the debt.

EFFECTIVE DATE: October 1, 2000

BACKGROUND***DAS Collections***

The DAS commissioner is responsible for collecting money owed to the state for certain reasons. If another state agency makes an agreement with DAS, DAS can provide collection services for that agency.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 40 Nay 0