

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1420

Short Title: Regional Agency Debt Setoff.

(Public)

Sponsors: Representative LaRoque.

Referred to: Rules, Calendar, and Operations of the House.

May 12, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND TO LOCAL GOVERNMENTS ACTING JOINTLY THE
3 SAME SETOFF DEBT COLLECTION PROCEDURES CURRENTLY
4 ALLOWED TO LOCAL GOVERNMENTS ACTING ALONE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105A-2 reads as rewritten:

7 "**§ 105A-2. Definitions.**

8 The following definitions apply in this Chapter:

9 (1) Claimant agency. – Either of the following:

10 a. A State agency.

11 b. A local agency acting through a clearinghouse or an
12 organization pursuant to G.S. 105A-3(b1).

13 (2) Debt. – Any of the following:

14 a. A sum owed to a claimant agency that has accrued through
15 contract, subrogation, tort, operation of law, or any other legal
16 theory regardless of whether there is an outstanding judgment
17 for the sum.

18 b. A sum a claimant agency is authorized or required by law to
19 collect, such as child support payments collectible under Title
20 IV, Part D of the Social Security Act.

21 c. A sum owed as a result of an intentional program violation or a
22 violation due to inadvertent household error under the Food
23 Stamp Program enabled by Chapter 108A, Article 2, Part 5.

24 d. Reserved for future codification purposes.

25 e. A sum owed as a result of having obtained public assistance
26 payments under any of the following programs through an
27 intentional false statement, intentional misrepresentation,
28 intentional failure to disclose a material fact, or inadvertent
29 household error:

- 1 1. The Work First Program provided in Article 2 of Chapter
- 2 108A of the General Statutes.
- 3 2. The State-County Special Assistance for Adults Program
- 4 enabled by Part 3 of Article 2 of Chapter 108A of the
- 5 General Statutes.
- 6 3. A successor program of one of these programs.
- 7 (3) Debtor. – An individual who owes a debt.
- 8 (4) Department. – The Department of Revenue.
- 9 (5) Reserved.
- 10 (6) Local agency. – Any of the following:
- 11 a. A county, to the extent it is not considered a State agency.
- 12 b. A municipality.
- 13 c. A water and sewer authority created under Article 1 of Chapter
- 14 162A of the General Statutes.
- 15 d. A regional joint agency created by interlocal agreement under
- 16 Article 20 of Chapter 160A of the General Statutes between two
- 17 or more counties, cities, or both.
- 18 (7) Net proceeds collected. – Gross proceeds collected through setoff
- 19 against a debtor's refund minus the collection assistance fees provided
- 20 in G.S. 105A-13.
- 21 (8) Refund. – An individual's North Carolina income tax refund.
- 22 (9) State agency. – Any of the following:
- 23 a. A unit of the executive, legislative, or judicial branch of State
- 24 government.
- 25 b. A ~~county~~ local agency, to the extent it administers a program
- 26 supervised by the Department of Health and Human Services or
- 27 it operates a Child Support Enforcement Program, enabled by
- 28 Chapter 110, Article 9, and Title IV, Part D of the Social
- 29 Security Act."

30 **SECTION 2.** This act becomes effective January 1, 2004, and applies to
 31 income tax refunds determined on or after that date.