**South Carolina General Assembly**

121st Session, 2015-2016

**S. 651**

**STATUS INFORMATION**

General Bill

Sponsors: Senator O'Dell

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Introduced in the Senate on April 14, 2015

Currently residing in the Senate Committee on **Finance**

Summary: Comptroller General

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

4/14/2015 Senate Introduced and read first time ([Senate Journal‑page 9](file:///h:\SJ%20Archive\2015\04-14-15.docx))

4/14/2015 Senate Referred to Committee on **Finance** ([Senate Journal‑page 9](file:///h:\SJ%20Archive\2015\04-14-15.docx))

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**VERSIONS OF THIS BILL**

[4/14/2015](file:///p:\pprever\2015-16\651_20150414.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 11‑3‑250 SO AS TO PROVIDE THAT THE COMPTROLLER GENERAL SHALL ENTER INTO AN AGREEMENT WITH THE SECRETARY OF THE TREASURY TO PARTICIPATE IN A STATE RECIPROCAL PROGRAM FOR THE COLLECTION OF QUALIFYING DEBTS OWED TO THE STATE FROM CERTAIN FEDERAL PAYMENTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 3, Title 11 of the 1976 Code is amended by adding:

“Section 11‑3‑250. (A) The Comptroller General shall enter into an agreement with the Secretary of the Treasury to participate in a State Reciprocal Program pursuant to 31 U.S.C. Section 3716 for the collection of qualifying debts owed to the State or to state agencies from federal payments to vendors, contractors, and taxpayers. The agreement may provide for the United States to submit nontax debts owed to federal agencies for offset against state payments otherwise due and owing to vendors and contractors providing goods or services to the State, its departments, agencies, or institutions.

(B) For purposes of this section:

(1) ‘Federal official’ means a unit or official of the federal government charged with the collection of nontax liabilities payable to the federal government and with the authority to enter into the offset agreement.

(2) ‘Offset agreement’ means the agreement authorized by this section.

(3) ‘Person’ means an individual, vendor, contractor, partnership, society, association, joint stock company, limited liability company, corporation, estate, receiver, trustee, assignee, a person acting in a fiduciary or representative capacity whether appointed by a court or otherwise, or any other person, or any combination.

(4) ‘State payments’ include vendor or contractor payments made by the State to a person including expense reimbursements to an employee of the State. ‘State payments’ do not include tax refunds issued by the South Carolina Department of Revenue, salary, wages, pension, and any other type, class, or amount of payment as the Comptroller General determines to impact the health or welfare of the citizens or business of the State.

(C) Pursuant to the agreement authorized by this section, a federal official may:

(1) certify to the Comptroller General the existence of a person’s delinquent, nontax debt owed by the person to the federal government by providing:

(a) the name of the person;

(b) the social security number or federal tax identification number;

(c) the amount of the nontax debt; and

(d) any other information pursuant to the agreement authorized by this section;

(2) request the Comptroller General to withhold any state nontax payment to which the person is entitled; and

(3) retain a portion of the proceeds of any federal administrative setoff pursuant to 31 C.F.R. 285.6.

(D) As required or permitted by state law, federal law, or the offset agreement, the Comptroller General:

(1) shall determine if a person for whom a certification is received is due a state payment;

(2) shall withhold a state payment that is due a person whose name has been certified by a federal official;

(3) shall notify the person of the amount withheld in accordance with the offset agreement;

(4) shall pay to the federal official the lesser of:

(a) the entire state payment; or

(b) the amount certified;

(5) shall pay any state payment in excess of the certified amount to the person less any fee pursuant to subsection (E);

(6) may certify to a federal official a person’s delinquent debt owed to the State by providing the federal official:

(a) the name of the person;

(b) the social security number or federal tax identification number;

(c) the amount of the debt due to the State; and

(d) any other information required by the offset agreement; and

(7) may request that the federal official withhold any federal vendor or other federal payment pursuant to the offset agreement to which the person is entitled.

(E) The Comptroller General may establish a reasonable administrative fee to be charged to the person for the provision of state offset of federal debt and federal offset of state debt. The fee is a separate debt that must be added to the original debt and must be withheld from any refund, reimbursement, or other monies held for the person. The Comptroller General may charge the person who is the subject of federal offset of a state debt or state offset of a federal debt, a fee equal to the fee retained in subsection (C).

(F) Each state agency and institution shall take all appropriate and cost‑effective actions to aggressively collect its accounts receivable. Each agency and institution may participate in the Treasury Offset Program of the United States under 31 U.S.C. Section 3716.

(G) The Comptroller General may promulgate regulations necessary to administer and implement this section and the offset agreement.

(H) The Comptroller General and the chief administrators of the various state agencies are authorized by this section to enter into interagency agreements for the purpose of protecting a person’s personal or otherwise protected information and collecting debts, fees, and penalties due the State, its departments, agencies, or institutions.”

SECTION 2. This act takes effect upon approval by the Governor.

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