
VIRGINIA STATE BUDGET

2006 Special Session I

Budget Bill - HB5002 (Introduced)

Bill Order » Executive Offices » Item 52

Division of Debt Collection

Item 52	First Year - FY2007	Second Year - FY2008
Collection Services (74000)	\$1,665,104	\$1,663,972
State Collection Services (74001)	\$1,665,104	\$1,663,972
Fund Sources:		
Special	\$1,665,104	\$1,663,972

Authority: Title 2.2, Chapter 5, Code of Virginia.

A. All agencies and institutions shall follow the procedures for collection of funds owed the Commonwealth as specified in §§ [2.2-518](#) and [2.2-4806](#) of the Code of Virginia, except as provided otherwise therein or in this act.

B.1. There is hereby created on the books of the Comptroller a special nonreverting fund known as the "Debt Collection Recovery Fund." The Division of Debt Collection shall deposit to the Fund all revenues generated by it, less any cost of recovery, from receivables collected on behalf of state agencies, pursuant to §§ [2.2-518](#) and [2.2-4806](#) of the Code of Virginia. This provision shall apply whether such payment is made directly to the affected agency or to the Office of the Attorney General.

2. The Secretary of Finance may make exemptions from the required deposits to the Fund, as specified in B.1. above, upon his determination that such collections are more appropriately returned to the fund source in which such receivables are due. Any such exemptions shall be reported by the Secretary of Finance to the Division of Debt Collection and to the Chairmen of the Senate Finance and House Appropriations Committees within 30 days of such approval.

3.a. The Division of Debt Collection is entitled to retain up to 30 percent of any collections to pay operating costs supported by the appropriation in this Item. However, at no time shall balances retained by the division exceed a ceiling of \$400,000. The division shall exercise a moratorium on payment for services whenever the ceiling is exceeded. During the moratorium, a minimum of 60 percent of collections shall be transferred to agencies, reserving 40 percent for transfer to the general fund.

b. The Director, Department of Planning and Budget, may grant an exception to this provision if the division can show just cause.

4. From the amounts collected for the Fund, 30 percent shall be returned to the state agency for which the claim was collected. Out of the balance in the Fund, the State Comptroller shall transfer up to \$3,444,000 to the general fund on or before June 30, 2007, and up to \$3,444,000 on or before June 30, 2008. Any amount in excess of the transfer which remains in the Debt Collection Recovery Fund each year after the transfer shall be returned on a pro rata basis to all state agencies having claims collected by the Division of Debt Collection during the course of the year, to the extent that such collections contributed to the balance in the Fund.

5. The Division of Debt Collection may contract with private collection agents for the collection of debts

amounting to less than \$15,000.