
SENATE BILL NO. 48—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

FEBRUARY 10, 2005

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to collection of debts owed to State. (BDR 31-165)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; making various changes relating to the payment of the costs and fees associated with the collection of a debt owed to the State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the procedure for collecting debts owed to state agencies, including delinquent payments for taxes, fees, fines or other obligations. (Chapter 353C of NRS) Existing law also authorizes a state agency to enter into an agreement with a debtor to allow the debtor to pay his debt in monthly installments. (NRS 353C.130) Under existing law, a debtor who owes more than \$200 to a state agency must reimburse the state agency for a certain amount of the costs and fees actually incurred by the state agency in collecting the debt. Prejudgment or postjudgment interest on the debt may not be included in the calculation of the reimbursement amount. (NRS 353C.135)

This bill lowers the minimum amount of debt on which collection costs and fees may be recovered from \$200 to \$100. This bill increases the maximum amount that may be recovered by a state agency as reimbursement for collection costs and fees from \$25,000 to \$50,000 and authorizes the inclusion of prejudgment or postjudgment interest in the calculation of that reimbursement amount. This bill also removes, after a certain period, the limitation on the amount that may be recovered by a state agency as reimbursement for collection costs and fees from a debtor who fails to make any payment required by an installment agreement for a year or longer.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 353C.135 is hereby amended to read as follows:

353C.135 **1.** Except as otherwise provided by specific statute, a person who owes a debt of more than ~~[\$200]~~ **\$100** pursuant to this chapter shall, in addition to the debt, pay as reimbursement for the costs and fees actually incurred to collect the debt an amount not to exceed 25 percent of the amount of the debt or ~~[\$25,000,]~~ **\$50,000**, whichever is less. ~~[Any prejudgment or postjudgment interest on the debt authorized by law must not be included in the calculation of the costs and fees actually incurred to collect the debt.]~~

2. *If a debtor fails to make any payment required by an agreement made pursuant to NRS 353C.130 for 1 year or more, the debtor shall pay as reimbursement:*

(a) For the first year during which the debtor failed to make any payment, the amount required pursuant to subsection 1; and

(b) For any period after the period described in paragraph (a) during which the debtor fails to make any payment, an amount equal to the cost and fees actually incurred to collect the debt during that period.

Sec. 2. This act becomes effective on July 1, 2005.

