

ASSEMBLY BILL NO. 429—COMMITTEE
ON GOVERNMENT AFFAIRS

MARCH 23, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the collection of debts by the State Controller. (BDR 31-1096)

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

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

AN ACT relating to debts; revising the amount payable to the State Controller for costs and fees for certain recovered debts; deleting provisions which exclude certain prejudgment or postjudgment interest in the calculation of those costs and fees; revising the circumstances under which interest must accrue on certain debts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that the State Controller is required, except as otherwise provided by a specific statute or federal law, to act as the collection agent for state agencies. (NRS 353C.195) Existing law also provides that the State Controller may enter into a contract with a private debt collector for collection of a debt. (NRS 353C.200) Furthermore, existing law provides that when not using a private debt collector, the State Controller may assess certain fees against a debtor including a percentage of the debt, which is based on the percentage charged by private debt collectors used by the State Controller and sets a cap on the total amount of fees which may be assessed. (NRS 353C.135) **Section 1** of this bill revises this fee to a set percentage instead of a percentage based on existing contracts. **Section 1** also deletes provisions which exclude prejudgment and postjudgment interest from the cap on total fees assessed.

Existing law provides that if an agency assigns a debt to the State Controller for collection and the debt is subject to interest pursuant to a specific statute or regulation, the rate of interest must be based on a certain uniform rate of interest, notwithstanding any interest rate specified in the statute or regulation. (NRS 99.040, 353C.1955) **Section 2** of this bill applies that uniform rate of interest to all debts assigned for collection to the State Controller, if the debt is not subject to the payment of interest under a court ordered judgment. **Section 2** also requires any



20 accrued interest which is recovered by the State Controller to be deposited into the
21 Debt Recovery Account.

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

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

3 353C.135 1. Except as otherwise provided in subsection 2 or
4 by a specific statute, a person who owes a debt of more than \$300
5 pursuant to this chapter shall, in addition to the debt, pay:

6 (a) If the State Controller has entered into a contract pursuant to
7 NRS 353C.200 with a private debt collector or any other person for
8 the assignment of the collection of the debt:

9 (1) A fee payable to the State Controller in the amount of 2
10 percent of the amount of the debt assigned to the State Controller for
11 collection pursuant to NRS 353C.195;

12 (2) The amount of the costs and fees established in the
13 contract; and

14 (3) Any additional costs and fees actually incurred to collect
15 the debt; or

16 (b) If the State Controller has not assigned the collection of the
17 debt pursuant to NRS 353C.200:

18 (1) A fee payable to the State Controller in the amount of 2
19 percent of the amount of the debt assigned to the State Controller for
20 collection pursuant to NRS 353C.195.

21 (2) An amount payable to the State Controller for costs and
22 fees ~~[which is equal to a percentage]~~ **in the amount of 7 percent** of
23 the amount of the debt recovered. ~~[The State Controller shall~~
24 ~~calculate the appropriate percentage pursuant to this subparagraph~~
25 ~~that is applicable to the debt by reducing by 5 percentage points the~~
26 ~~lowest such percentage established in any contract entered into by~~
27 ~~the State Controller pursuant to NRS 353C.200 that was effective at~~
28 ~~the time the debt was incurred.]~~

29 (3) Any additional costs and fees actually incurred to collect
30 the debt.

31 2. The total amount of costs and fees required pursuant to
32 subsection 1 must not exceed 35 percent of the amount of the debt
33 or \$50,000, whichever is less. ~~[Any prejudgment or postjudgment~~
34 ~~interest on the debt authorized by law must not be included in the~~
35 ~~calculation of the costs and fees actually incurred to collect the~~
36 ~~debt.]~~

37 **Sec. 2.** NRS 353C.1955 is hereby amended to read as follows:

38 353C.1955 **1.** If an agency assigns a debt to the State
39 Controller for collection pursuant to NRS 353C.195 and the debt is



1 *not* subject to the payment of interest pursuant to a ~~[specific statute~~
2 ~~or regulation.]~~ *court ordered judgment*, interest must accrue on the
3 debt at the rate most recently established pursuant to NRS 99.040
4 beginning on the date of the assignment of the debt to the State
5 Controller, notwithstanding any other rate of interest set forth in
6 ~~[the]~~ *a* specific statute or regulation.

7 *2. Any interest accrued pursuant to this section which the*
8 *State Controller recovers must be deposited in the Debt Recovery*
9 *Account created by NRS 353C.226.*

10 **Sec. 3.** This act becomes effective upon passage and approval.

