

SENATE BILL No. 34

By Committee on Assessment and Taxation

1-18

1 AN ACT concerning setoff against debtors of the state, municipalities and
2 foreign states; relating to expansion of foreign states eligible for setoff
3 agreements; amending K.S.A. 2016 Supp. 75-6202 and repealing the
4 existing section.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2016 Supp. 75-6202 is hereby amended to read as
8 follows: 75-6202. As used in this act:

9 (a) "Debtor" means any person who:

10 (1) Owes a debt to the state of Kansas or any state agency or any
11 municipality;

12 (2) owes support to an individual, or an agency of another state, who
13 is receiving assistance in collecting that support under K.S.A. 39-756, *and*
14 *amendments thereto*, or K.S.A. 2016 Supp. 20-378, and amendments
15 thereto, or under part D of title IV of the federal social security act, 42
16 U.S.C. § 651 et seq., as amended; or

17 (3) owes a debt to a foreign state agency.

18 (b) "Debt" means:

19 (1) Any liquidated sum due and owing to the state of Kansas, or any
20 state agency, municipality or foreign state agency which has accrued
21 through contract, subrogation, tort, operation of law, or any other legal
22 theory regardless of whether there is an outstanding judgment for that sum.
23 A debt shall not include special assessments except when the owner of the
24 property assessed petitioned for the improvement and any successor in
25 interest of such owner of property;

26 (2) any amount of support due and owing an individual, or an agency
27 of another state, who is receiving assistance in collecting that support
28 under K.S.A. 39-756, *and amendments thereto*, or K.S.A. 2016 Supp. 20-
29 378, and amendments thereto, or under part D of title IV of the federal
30 social security act, 42 U.S.C. § 651 et seq., as amended, which amount
31 shall be considered a debt due and owing the district court trustee or the
32 Kansas department for children and families for the purposes of this act; or

33 (3) any assessment of court costs, fines, fees, moneys expended by
34 the state in providing counsel and other defense services to indigent
35 defendants or other charges which a district court judgment has ordered to
36 be paid to the court and which remain unpaid in whole or in part, and

1 includes any interest or penalties on such unpaid amounts as provided for
2 in the judgment or by law. Such amount also includes the cost of collection
3 when the collection services of a contracting agent are utilized.

4 (c) "Refund" means any amount of income tax refund due to any
5 person as a result of an overpayment of tax, and for this purpose, a refund
6 due to a husband and wife resulting from a joint return shall be considered
7 to be separately owned by each individual in the proportion of each such
8 spouse's contribution to income, as the term "contribution to income" is
9 defined by rules and regulations of the secretary of revenue.

10 (d) "Net proceeds collected" means gross proceeds collected through
11 final setoff against a debtor's earnings, refund or other payment due from
12 the state or any state agency minus any collection assistance fee charged
13 by the director of accounts and reports of the department of administration.

14 (e) "State agency" means any state office, officer, department, board,
15 commission, institution, bureau, agency or authority or any division or unit
16 thereof and any judicial district of this state or the clerk or clerks thereof.
17 "State agency" also shall include any: (1) District court utilizing collection
18 services pursuant to K.S.A. 75-719, and amendments thereto, to collect
19 debts owed to such court; and (2) contracting agent, as defined in K.S.A.
20 75-719, and amendments thereto, with which a district court contracts to
21 collect debts owed to such court. Such contracting agent may directly
22 establish a debt setoff account with the director for the sole purpose of
23 collecting debts owed to courts.

24 (f) "Person" means an individual, proprietorship, partnership, limited
25 partnership, association, trust, estate, business trust, corporation, other
26 entity or a governmental agency, unit or subdivision.

27 (g) "Director" means the director of accounts and reports of the
28 department of administration.

29 (h) "Municipality" means any municipality as defined by K.S.A. 75-
30 1117, and amendments thereto.

31 (i) "Payor agency" means any state agency which holds money for, or
32 owes money to, a debtor.

33 (j) "Foreign state or foreign state agency" means ~~the states of~~
34 ~~Colorado, Missouri, Nebraska or Oklahoma~~ any state, district or territory
35 of the United States of America or any agency of such ~~states which~~ state,
36 district or territory that has entered into a reciprocal agreement pursuant to
37 K.S.A. 75-6215, and amendments thereto.

38 Sec. 2. K.S.A. 2016 Supp. 75-6202 is hereby repealed.

39 Sec. 3. This act shall take effect and be in force from and after its
40 publication in the statute book.