

HOUSE BILL No. 2392

AN ACT concerning setoff against certain debtors; relating to federal department of the treasury, agreements, procedure and fees; amending K.S.A. 75-6204 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) The director may enter into one or more agreements with the federal department of the treasury or its successor that provide for offsetting federal and state payments, as authorized by federal law and K.S.A. 75-6204, and amendments thereto, except that other setoffs under K.S.A. 75-6201 et seq., and amendments thereto, occur prior to the setoffs authorized under this section.

(b) Any agreement entered into by the director pursuant to subsection (a) may provide that the federal department of the treasury or its successor may deduct a fee from each administrative setoff and state payment setoff. For purposes of this subsection: (1) "Administrative setoff" means any offset of federal payments to collect state tax and nontax obligations; and

(2) "state payment setoff" means any offset of state payments to collect federal nontax obligations.

(c) The director is authorized to deduct a fee in an amount authorized under subsection (b) of K.S.A 75-6210, and amendments thereto.

(d) Notwithstanding any provision of law prohibiting disclosure by the department of administration of the contents of debtor records or information, and notwithstanding any confidentiality statute of any state agency, all information exchanged between the department of administration, the federal department of the treasury and the debtor necessary to accomplish and effectuate the intent of this act is lawful.

Sec. 2. K.S.A. 75-6204 is hereby amended to read as follows: 75-6204.

(a) Subject to the limitations provided in this act, if a debtor fails to pay to the state of Kansas or any state agency, foreign state agency, ~~or a~~ municipality *or the federal department of the treasury* an amount owed, the director may setoff such amount against any money held for, or any money owed to, such debtor by the state or any state agency.

(b) The director may enter into an agreement with a municipality for participation in the setoff program for the purpose of assisting in the collection of a debt as defined by K.S.A. 75-6202, and amendments thereto. The director shall include in any such agreement a provision requiring the municipality to certify that the municipality has made at least three attempts to collect a debt prior to submitting such debt to setoff pursuant to this act.

Sec. 3. K.S.A. 75-6204 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.