

2022 SESSION

INTRODUCED

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HOUSE BILL NO. 227

Offered January 12, 2022

Prefiled January 10, 2022

A BILL to amend and reenact § 2.2-518 of the Code of Virginia, relating to the Office of the Attorney General; debt collection; fees.

Patron—Coyner

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-518 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-518. Division of Debt Collection.

A. There is created in the Department of Law a Division of Debt Collection that shall provide all legal services and advice related to the collection of funds owed to the Commonwealth, pursuant to § 2.2-507 and the Virginia Debt Collection Act (§ 2.2-4800 et seq.).

The Attorney General may appoint and fix the salaries of such attorneys and employees as may be necessary to carry out the functions of the Division, within the amounts appropriated to the Division, and may supplement such funds from appropriations made to his office for the provision of legal services to the Commonwealth.

The Division may retain as special revenue up to 30 percent of receivables collected on behalf of state agencies and may contract with private collection agents for the collection of debts amounting to less than \$15,000, as provided in the appropriation act. *However, in relation to student debt, the Division may only retain as special revenue up to 15 percent of receivables collected on behalf of a public institution of higher education.*

B. There is hereby created on the books of the Comptroller a special, nonreverting fund to be known as the Debt Collection Recovery Fund (Fund). The Division 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 §§ 2.2-4805 and 2.2-4806. The Division shall transfer the remaining funds to the appropriate state agencies on a periodic basis or such other period of time approved by the Division.

C. Any direct payment received by an agency on an account that has been referred for collection to the Division shall be reported to the Division upon receipt by the agency. The agency shall cause the fees due the Division for obtaining the recovery to be reported to and paid to the Division; however, no fees shall be paid to the Division on payments to the agency resulting from the agency's participation in the Setoff Debt Collection Act, Article 21 (§ 58.1-520 et seq.) of Chapter 3 of Title 58.1. The remaining portion of the direct payment shall be retained by the agency.

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