



## 2024 South Dakota Legislature

# House Bill 1070

Introduced by: **Representative** Weisgram

1 **An Act to provide for the use of the obligation recovery center by counties.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That § 1-55-1 be AMENDED:**

4 **1-55-1.** Terms used in this chapter mean:

- 5 (1) "Account receivable cycle," the period of time, not to exceed one hundred eighty  
6 days, during which the center may attempt to collect on a debt before the debt is  
7 forwarded to any collection agency in accordance with § 1-55-14;
- 8 (2) "Center," the obligation recovery center;
- 9 (3) "Debt," a legal obligation to pay money, including any principal, any interest that  
10 has accrued or will accrue until the debt is paid, any penalties, any costs, and any  
11 other charges permitted by law. The term also includes any obligation of any kind  
12 referred to the center for collection by any agency of the state, the Unified Judicial  
13 System, the Board of Regents, a technical college supported by the state under  
14 § 13-39A-42, ~~or~~ a constitutional office, or any county;
- 15 (4) "Debtor," a person who is indebted to the state ~~or~~, a state agency, or county for  
16 any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due  
17 the state, or any person that owes any obligation being collected by the center;
- 18 (5) "Bad debt," any debt due an agency of the state, county, the Board of Regent's  
19 system, any technical college supported by the state under § 13-39A-42, or a  
20 constitutional office that is no longer subject to an administrative appeal or judicial  
21 review following an administrative appeal, or any costs, fines, fees, or restitution  
22 ordered in any adult criminal proceeding through the Unified Judicial System no  
23 longer subject to direct appeal under § 23A-32-2;
- 24 (6) "Final notification," the notification provided by § 1-55-7; and
- 25 (7) "Referring entity," the entity referring the debt to the state obligation recovery  
26 center for collection.

1 **Section 2. That § 1-55-2 be AMENDED:**

2 **1-55-2.** There is hereby created the obligation recovery center, which is attached  
3 to the Bureau of Administration for budgeting and reporting purposes. The center is a  
4 central repository for identification, registration, oversight, and collection of debts owed  
5 to any agency or department of the state~~, or~~ to any postsecondary technical institute  
6 supported by the state under § 13-39A-42, or to any county.

7 **Section 3. That § 1-55-3 be AMENDED:**

8 **1-55-3.** The center shall work to collect each bad debt referred to the center during  
9 the account receivable cycle. The character of the debt in the hands of the referring entity  
10 does not change by the referral of the debt to the center for collection. Among other  
11 powers granted by this chapter, the center may:

- 12 (1) Sue;
- 13 (2) File liens;
- 14 (3) Enter into payment agreements with debtors;
- 15 (4) Impose a cost recovery fee;
- 16 (5) Collect data for debt collection purposes;
- 17 (6) Establish and maintain a centralized electronic debt management system;
- 18 (7) Exercise settlement authority granted by the referring entity;
- 19 (8) Setoff against any moneys to be paid by the State of South Dakota, county, or any  
20 referring entity to a debtor;
- 21 (9) Contract with multiple collection agencies for the collection of debt on behalf of the  
22 center;
- 23 (10) Except for the debt collection powers vested in the Unified Judicial System, the  
24 center may use the referring entity's statutory collection authority to collect the  
25 bad debt owed to the referring entity; and
- 26 (11) Utilize all debt collection methods authorized by state law.  
27 The office may determine which method or combination is most suitable to collect  
28 the debt.

29 **Section 4. That § 1-55-6 be AMENDED:**

30 **1-55-6.** The center may be used during the account receivable cycle by:  
31 (1) Any agency of the state to collect bad debt owed to the agency;

- 1 (2) The Unified Judicial System to collect any costs, fines, fees, or restitution,  
2 constituting final debt, ordered in any adult criminal proceeding;
- 3 (3) The Board of Regents to collect any final debt owed within the Board of Regents'  
4 system;
- 5 (4) Any technical college supported by the state under § 13-39A-42 to collect any final  
6 debt owed within the technical college system; ~~and~~
- 7 (5) Any constitutional office to collect final debt owed to the constitutional office; and  
8 (6) Any county to collect final debt owed to the county.

9 **Section 5. That § 1-55-9 be AMENDED:**

10 **1-55-9.** The center may collect data for purposes of collecting any debt referred  
11 to the center. Notwithstanding any law to the contrary, referring entities are authorized  
12 to transmit data to the center deemed necessary by the center to aid in the collection of  
13 the referred debt and the center may share, request, and shall receive from any county  
14 or state agency any data to collect any debt referred to the center. Any information  
15 provided by a referring entity, county, or a state agency may only be used for the purpose  
16 of collecting the debts referred to the center.