



2024 South Dakota Legislature
Senate Bill 65
ENROLLED

AN ACT

ENTITLED An Act to modify time limits for collection efforts for debts owed to the state.

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

Section 1. That § 1-55-1 be AMENDED:

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

- (1) "Account receivable cycle," the period of time during which the center may attempt to collect on a debt before the center determines the debt is uncollectible and returns the remaining balance of the debt to the referring entity;
- (2) "Center," the obligation recovery center;
- (3) "Debt," a legal obligation to pay money, including any principal, any interest that has accrued or will accrue until the debt is paid, any penalties, any costs, and any other charges permitted by law. The term also includes any obligation of any kind referred to the center for collection by any agency of the state, the Unified Judicial System, the Board of Regents, a technical college supported by the state under § 13-39A-42, or a constitutional office;
- (4) "Debtor," a person who is indebted to the state or a state agency for any delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state, or any person that owes any obligation being collected by the center;
- (5) "Bad debt," any debt due an agency of the state, the Board of Regent's system, any technical college supported by the state under § 13-39A-42, or a constitutional office that is no longer subject to an administrative appeal or judicial review following an administrative appeal, or any costs, fines, fees, or restitution ordered in any adult criminal proceeding through the Unified Judicial System no longer subject to direct appeal under § 23A-32-2;
- (6) "Final notification," the notification provided by § 1-55-7; and

- (7) "Referring entity," the entity referring the debt to the state obligation recovery center for collection.

Section 2. That § 1-55-14 be AMENDED:

1-55-14. At such time as the center determines is appropriate, the center may forward the debt to a collection agency or agencies for collection for a period of no less than one year or as otherwise stipulated in the contract between the center and the collection agency. The debt collection agency must be permitted to add a collection charge, not to exceed twenty percent of the debt, to the debt forwarded to the collection agency as payment for its collection services. The center or a collection agency may retain debt beyond the applicable collection period if the entity is actively engaged in substantive collection efforts or based on other good cause.

The Bureau of Administration shall promulgate rules pursuant to chapter 1-26 concerning the process of contracting with and referring debt to debt collection agencies.

An Act to modify time limits for collection efforts for debts owed to the state.

I certify that the attached Act originated in the:

Received at this Executive Office this ____ day of _____,

Senate as Bill No. 65

2024 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby approved this _____ day of _____, A.D., 2024

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2024
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 65
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State