

CHAPTER 24

AN ACT centralizing non-tax debt management functions for State government in the Division of Revenue, and amending and supplementing P.L.2005, c.124.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 1 of P.L.2005, c.124 (C.2A:16-11.1) is amended to read as follows:

C.2A:16-11.1 Issuance of certificate of debt; definitions.

1. a. In addition to any other remedy provided by law, where a debt is owed to a State department or agency, and the person who owes the debt has failed to comply within 30 days after service of any notice, demand or order directing payment of any amount found to be due, the Department of the Treasury, on behalf of the department or agency, may issue a certificate of debt to the Clerk of the Superior Court stating that the person identified in the certificate of debt is indebted to the State in such amount as shall be stated in the certificate of debt.

b. The certificate of debt shall reference the statute, regulation or other legal authority under which the indebtedness arises. Thereupon the clerk to whom such certificate of debt shall have been issued shall immediately enter upon the record of docketed judgments the name of such person or entity as debtor; the State as creditor; the address of such person or entity, if shown in the certificate of debt; a reference to the statute, regulation or other legal authority under which the debt arises; and the date of making such entries.

c. The docketing of the certificate of debt shall have the same force and effect as a civil judgment docketed in the Superior Court subject to the procedures for appeal as set forth in section 4 of P.L. 2005, c. 124 (C.52:18-38). The docketing of the certificate of debt shall be without prejudice to the right of appeal to the Appellate Division of the Superior Court.

d. As used in this section, in sections 2, 3, 4, 5, 6, and 8 of P.L.2005, c.124 (C.52:18-36, C.52:18-37, C.52:18-38, C.52:14F-22, C.52:18-39 and C.52:14F-23), and in sections 3 and 4 of P.L.2008, c.24 (C.52:18-40 and C.52:18-41):

"Debt" means a fee, fine, cost, penalty or assessment that has been due and owing a State department or agency for 90 days or more. "Debt" does not include inter-agency debts and debts associated with loans, notes, grants, and contracts.

e. As used in this amendatory and supplementary act, "State department or agency" does not include an independent authority or instrumentality that is independent of the operational and budgetary control of the department to which it is allocated.

2. Section 2 of P.L.2005, c.124 (C.52:18-36) is amended to read as follows:

C.52:18-36 Collection of debt.

2. The Department of the Treasury shall have all the remedies and may take all of the proceedings for the collection of debt, as defined pursuant to section 1 of P.L.2005, c.124 (C.2A:16-11.1), which may be had or taken upon the recovery of a judgment in an action, but without prejudice to any right of appeal. Upon entry by the clerk of the certificate of debt in the record of docketed judgments in accordance with section 1 of P.L.2005, c.124 (C.2A:16-11.1), interest in the amount specified by the court rules for post-judgment interest shall accrue from the date of the docketing of the certificate of debt; however, payment of interest may be waived by the Treasurer or the Treasurer's designee.

C.52:18-40 Regulations, procedures to manage collection of debt; report of inventory of total debt.

3. a. The Department of the Treasury shall promulgate regulations and procedures to effectively manage the collection of debt. The regulations and procedures shall include: the designation of the Division of Revenue in the Department of the Treasury as State government's centralized debt management agency; and a requirement that a State agency in the executive branch that is unable, within 90 days of the recording of the delinquency, to collect such a debt owed to the agency, shall transfer the delinquent account no later than at the end of the 91st day following the recording of the debt to the Division of Revenue, which shall manage the delinquent account on behalf of the transferring agency and credit to the appropriate account of the transferring agency any debt collected.

b. In order to assist the Division of Revenue in its centralized debt management responsibilities, the chief administrative officer of each State department or agency, or their designee, within 45 days following the conclusion of each fiscal year, shall provide to the Director of the Division of Revenue in a format as the director shall determine, a certified report of the inventory for the fiscal year of the total debt owed to the department or agency so recorded on the department's or agency's records, debt owed to and collected by the department or agency, debt owed but not collected within 90 days of recording of the delinquency, the amount of that delinquent debt not transferred to the division, and the amount of the debt determined to be owed to the department or agency during the last 90 days of the fiscal year.

C.52:18-41 Report to Governor, Legislature.

4. The Director of the Division of Revenue in the Department of the Treasury shall, within 90 days following the conclusion of each fiscal year, report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on the division's debt management in the concluded fiscal year. In the report the director shall present for each State department or agency for which the division manages debt the cumulative amount of outstanding receivable balances at the end of the concluded fiscal year, the amount of new receivable balances transferred to the division's custody in the concluded fiscal year, the amount of receivable balances collected by the division in the concluded fiscal year, and the amount of receivable balances written off as uncollectible in the concluded fiscal year. In addition, the director shall list every State department or agency of whose noncompliance with the provisions of section 3 of P.L.2008, c.24 (C.52:18-40) the director is cognizant.

5. This act shall take effect immediately.

Approved June 30, 2008.