AN ACT

relating to the collection of delinquent obligations owed to the
state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2107.003, Government Code, is amended to
read as follows:

Sec. 2107.003. COLLECTION BY ATTORNEY GENERAL OR OUTSIDE
AGENT. (a) Except as provided by Subsection (c) or (c-1), a state
agency shall refer an uncollected and delinquent obligation that
meets the referral guidelines established by the attorney general
to [request] the attorney general for further collection efforts.
The state agency must refer the obligation on or before the 90th day
after the date the obligation becomes past due or delinquent [to
collect an obligation before the agency may employ, retain, or
contract with a person other than a full-time employee of the state
agency to collect the obligation].

(b) The attorney general:

(1) may provide legal services for collection of the
obligation;

(2) may authorize the requesting state agency to
employ, retain, or contract with, subject to approval by the
attorney general and subject to the agency's compliance with
applicable guidelines established by the attorney general, one or
more persons to collect the obligation; or
(3) if the attorney general determines it to be economical and in the best interest of the state, may contract on behalf of the state agency with one or more persons [a person other than a full-time employee of the agency] to collect the [an] obligation [that the attorney general cannot collect].

(c) The comptroller may employ, retain, or contract with a person other than a full-time state employee to collect delinquent obligations that are owed the comptroller in the comptroller's official capacity, are not collected through normal collection procedures, and do not meet the referral guidelines adopted for collection by the attorney general. A proposed contract under this subsection shall be reviewed by the attorney general [and may include a collection fee computed on the amounts collected under the contract]. A person contracting with the comptroller under this subsection is entitled to a collection fee, as provided under the contract, in an amount not to exceed 30 percent of the full amount of the obligation.

(c-1) The comptroller may also contract with one or more persons to collect delinquent obligations that have been referred to the attorney general and that the attorney general has returned to the comptroller after exhausting all reasonable collection efforts. A proposed contract under this subsection shall be reviewed by the attorney general. A person contracting with the comptroller under this subsection is entitled to a collection fee equal to 30 percent of the full amount of the obligation collected.

(d) The agency contracting under Subsection (b) or (c) is entitled to recover from the obligor, in addition to the amount of
the obligation, reasonable costs incurred in undertaking the
collection, including the costs of a contract under this section,
in an amount not to exceed 30 percent of the total amount of the
obligation.

(e) A person awarded a contract under Subsection (b), (c),
or (c-1) may not file suit or otherwise pursue judicial action to
collect the obligation owed in a court of this state or another
state on behalf of the contracting state agency.

(f) Except as provided by Subsection (b)(3), a state agency
may determine in its sole discretion which obligations to refer to a
private collection firm for collection.

(g) The contracting state agency may provide a person
contracting under Subsection (b), (c), or (c-1) any information,
including confidential information, that the agency is not
prohibited from sharing with another state or with the United
States and that is:

(1) in the custody of the agency owed the obligation;
and

(2) necessary to the collection of the obligation.

(h) A person acting under a contract formed under Subsection
(b), (c), or (c-1) and each employee or agent of that person is
subject to all statutory prohibitions against the wrongful
disclosure of confidential information that the contracting state
agency and its employees are subject to. A contractor's employee is
subject to the same penalties for wrongful disclosure of
confidential information as would apply to the employees of the
contracting agency.
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(i) The contracting agency shall require a person who
contracts under Subsection (b), (c), or (c-1) to obtain and
maintain insurance adequate to provide reasonable coverage for
damages negligently, recklessly, or intentionally caused by the
contractor or the contractor's employee or agent in the course of
collecting an obligation under the contract.

(j) A person who contracts with a state agency under this
section is subject to Chapter 392, Finance Code.

SECTION 2. Section 2107.004, Government Code, is amended to
read as follows:

Sec. 2107.004. NOTICE BY COMPTROLLER TO ATTORNEY GENERAL
FOR FURTHER COLLECTION. Except as provided by Section
2107.003{(c)}, not later than the [120th day after the date an
obligation becomes delinquent or past due or the] 30th day after the
comptroller determines that its efforts to collect a delinquent
[an] obligation [owed the agency] have failed, the comptroller
[agency] shall report the uncollected and delinquent obligation to
the attorney general for further collection efforts.

SECTION 3. Subsection (c), Section 2254.102, Government
Code, is amended to read as follows:

(c) This subchapter does not apply to a contract:

(1) with a state agency to collect an obligation under
Section 2107.003(b), (c), or (c-1); or

(2) for legal services entered into by an institution
of higher education under Section 153.006, Education Code.

SECTION 4. The changes in law made by this Act to Sections
2107.003, 2107.004, and 2254.102, Government Code, apply only in
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1 relation to a contract for the collection of delinquent taxes or
2 obligations that is entered into on or after the effective date of
3 this Act. A contract for the collection of delinquent taxes or
4 obligations entered into before the effective date of this Act is
5 governed by the law in effect on the date the contract was entered
6 into, and the former law is continued in effect for that purpose.
7
8 SECTION 5. This Act takes effect September 1, 2007.

David Dewhurst  
President of the Senate

Jim Calhoun  
Speaker of the House

I hereby certify that S.B. No. 1615 passed the Senate on
May 3, 2007, by the following vote: Yeas 31, Nays 0.

Nate Lau  
Secretary of the Senate

I hereby certify that S.B. No. 1615 passed the House on
May 15, 2007, by the following vote: Yeas 144, Nays 0, one
present not voting.

Robert Hamby  
Chief Clerk of the House

Approved:

15 Jun 07  
Date

Rick Perry  
Governor

Filed in the office of the Secretary of State
9 PM O'clock
Jun 15 2007

Secretary of State

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