

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 HOUSE BILL 1855

By: Osborn (Leslie)

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6 AS INTRODUCED

7 An Act relating to state government; creating the
8 State Obligation Recovery Center (SORC); providing
9 for administrative relation with the Office of
10 Management and Enterprise Services; defining terms;
11 requiring duties of SORC; providing for authority of
12 SORC; authorizing use of collection remedies;
13 authorizing cost-recovery charge; prescribing
14 procedures with respect to charges; providing for
15 deposit of cost-recovery charges; authorizing
16 executive branch agencies to use SORC; authorizing
17 judicial system to use SORC; authorizing higher
18 education system to use SORC; requiring notice to
19 debtor; prescribing content for notice; requiring
20 confidentiality; authorizing data collection;
21 requiring centralized registry; providing for wage
22 assignments; providing for notice of wage
23 assignments; prescribing limitations on wage
24 assignments; prescribing content for wage assignment
notice; authorizing contact with employer; providing
for immunity based on release of information;
providing immunity to SORC for certain liabilities;
prescribing notice procedures with respect to
employers; imposing certain duties on employers;
authorizing fees; providing for administrative
challenges; prescribing procedures for challenges;
authorizing civil actions; providing for financial
institution data match system; imposing certain
duties on financial institutions; providing for
immunity based on certain actions; providing for
civil penalties; providing for cumulative effect of
collection remedies; authorizing bank levies;
prescribing notice procedures for bank levies;
providing for verification of certain information;
prescribing required content for certain notices;
imposing duties on financial institutions upon

1 receipt of certain notice; authorizing fee; providing
2 procedures for administrative challenges; providing
3 for determinations by SORC; authorizing civil actions
4 for wrongful levy; providing challenges not to affect
5 certain limitations on actions; authorizing
6 settlement authority; prohibiting certain actions
7 with respect to certain registrations; prohibiting
8 renewal of certain licenses unless debt satisfied;
9 prohibiting certain licenses unless debt satisfied;
10 providing for offset; authorizing actions by
11 collection agencies; imposing requirements related to
12 priority of collection actions; authorizing
13 administrative rules; providing for statistical
14 analysis; providing for codification; and providing
15 an effective date.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 9101 of Title 74, unless there
is created a duplication in numbering, reads as follows:

There is hereby created the State Obligation Recovery Center
(SORC). The State Obligation Recovery Center is attached to the
Office of Management and Enterprise Services for budgeting and
reporting purposes.

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 9102 of Title 74, unless there
is created a duplication in numbering, reads as follows:

As used in this act:

1. "Account" includes any demand deposit account, checking
account, negotiable withdrawal order account, savings account, time

1 deposit account, money market mutual fund or any type of mutual fund
2 account, and intangible property. The term account does not include
3 amounts held by a financial institution as collateral for loans
4 extended by the financial institution;

5 2. "Debt" means a legal obligation to pay money, including any
6 principal, any interest that has accrued or will accrue until the
7 debt is paid, any penalties, any costs and any other charges
8 permitted by law. The term debt includes any obligation of any kind
9 referred to the SORC for collection by the state, government or any
10 government agency, by the Judicial System, or by the state higher
11 education system;

12 3. "Debtor" means a person who is indebted to the state,
13 government or any government agency for any delinquent accounts,
14 charges, fees, loans, taxes or other indebtedness due, or any
15 obligation being collected by the SORC;

16 4. "Employee" means any person or entity that performs services
17 for another and includes a debtor acting as a contractor,
18 subcontractor, distributor, agent or in any representative capacity
19 in which the debtor receives any form of consideration;

20 5. "Employer" means any person or entity that pays an employee
21 to do a specific task or tasks;

22 6. "Financial institution" means any financial institution and
23 any other depository institution, credit union, benefit association,
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1 insurance company, safe deposit company, bond fund, money market
2 mutual fund and any mutual fund of any kind or character;

3 7. "Final debt" means a debt that is no longer subject to an
4 appeal;

5 8. "Final notification" means the notification provided by
6 Section 13 of this act;

7 9. "Referring entity" means the entity referring the debt to
8 the SORC for collection; and

9 10. "Wage" means any form of compensation due a debtor and
10 includes wages, salary, bonus, commission or other payment directly
11 or indirectly related to consideration for the performance of a
12 service.

13 SECTION 3. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 9103 of Title 74, unless there
15 is created a duplication in numbering, reads as follows:

16 The SORC shall work to collect every debt referred to the SORC.
17 The SORC is not a debt collection agency. The character of the debt
18 in the hands of the referring entity does not change by the referral
19 of the debt to the SORC for collection.

20 SECTION 4. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 9104 of Title 74, unless there
22 is created a duplication in numbering, reads as follows:

23 The SORC shall have the following authority:

24 1. To sue;

- 1 2. To file liens;
- 2 3. To enter into payment agreements with debtors;
- 3 4. To impose a cost-recovery charge;
- 4 5. To collect data for debt collection purposes;
- 5 6. To establish and maintain a centralized electronic debt
- 6 registry;
- 7 7. To impose an administrative wage assignment process;
- 8 8. To establish and maintain a financial institution data match
- 9 system;
- 10 9. To impose an administrative bank levy process;
- 11 10. To exercise the settlement authority granted to it by the
- 12 referring entity;
- 13 11. To provide information to the motor vehicle division of the
- 14 Oklahoma Tax Commission, or appropriate agency, regarding the
- 15 nonrenewal of registrations for motor vehicles, motorcycles or
- 16 boats;
- 17 12. To provide information to any unit of the state regarding
- 18 the nonrenewal of professional licenses;
- 19 13. To provide information to the department responsible for
- 20 hunting licenses and fishing licenses regarding the nonissuance of
- 21 hunting and fishing licenses;
- 22 14. To set-off against any monies to be paid by the state to a
- 23 debtor for any debt owed by the debtor;
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1 15. To contract with collection agencies for the collection of
2 debt on behalf of the SORC;

3 16. To utilize any other debt collection methods authorized by
4 state law; and

5 17. All other authority granted to the SORC by this act.

6 SECTION 5. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 9105 of Title 74, unless there
8 is created a duplication in numbering, reads as follows:

9 Notwithstanding any other provision of law to the contrary, the
10 SORC may use the collection remedies provided in this act, or any
11 other collection remedy provided by any state law, to facilitate the
12 collection of debt referred to the SORC by a referring entity.

13 Except for the debt collection powers vested in the judicial system,
14 the SORC may also use the referring entity's statutory collection
15 authority to collect the debt owed to the referring entity. The
16 SORC has the discretion to determine which method or combination is
17 most suitable to collect the debt.

18 SECTION 6. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9106 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 For any debt referred to the SORC for collection after July 1,
22 2017, the SORC shall collect a cost-recovery charge in addition to
23 the debt referred to the SORC for collection. The cost-recovery
24 charge is calculated by multiplying the principal amount of the debt

1 referred to the SORC by twenty percent (20%). All debt collection
2 methods available to collect any debt referred to the SORC for
3 collection are available to the SORC for the collection of the cost-
4 recovery charge.

5 SECTION 7. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 9107 of Title 74, unless there
7 is created a duplication in numbering, reads as follows:

8 The SORC shall retain the cost-recovery charge and transfer any
9 monies collected from a debtor to the referring entity within thirty
10 (30) days after the end of the month in which the monies were
11 collected. If the amount collected is less than the principal
12 amount of the debt referred to the SORC and the cost-recovery charge
13 imposed by this act, the amount collected shall be prorated between
14 the principal amount of the debt referred and the cost-recovery
15 charge.

16 SECTION 8. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 9108 of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

19 The cost-recovery charge shall be deposited into the SORC
20 special fund to be used to fund the operations of the SORC.

21 SECTION 9. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 9109 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

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1 Any executive branch agency may use the SORC to collect any
2 executive branch agency debt.

3 SECTION 10. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9110 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The judicial system may use the SORC to collect any costs,
7 fines, fees or restitution ordered in any adult criminal proceeding.

8 SECTION 11. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 9111 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 The state higher education system may use the SORC to collect
12 any debt owed within the state higher education system.

13 SECTION 12. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 9112 of Title 74, unless there
15 is created a duplication in numbering, reads as follows:

16 All local governments, including municipalities, counties and
17 townships, may use the SORC to collect any debt owed them.

18 SECTION 13. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9113 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 Prior to transferring any debt to the SORC for collection, the
22 referring entity shall provide a final notification to the person
23 that owes the debt that the debt will be referred to the SORC for
24 collection. The final notification shall indicate that the debt

1 will not be referred to the SORC until a time at least fourteen (14)
2 days after the date the final notification is sent to the debtor.

3 The final notification to the debtor may be sent by regular mail
4 or by electronic means.

5 The final notification shall contain all of the following:

- 6 1. The name of the referring entity;
- 7 2. Contact information for the referring entity;
- 8 3. The name of the debtor;
- 9 4. The nature of the debt;
- 10 5. The principal amount of the debt;
- 11 6. The total amount of the debt;
- 12 7. A statement that the debt will not be turned over for
13 collection to the SORC until a time at least fourteen (14) days
14 after the date the final notification is sent to the debtor; and
- 15 8. A statement that if the debt is turned over to the SORC, a
16 cost-recovery charge of twenty percent (20%) of the principal, in
17 the amount of \$ _____ will be added to the total debt owed by the
18 debtor to the referring entity.

19 SECTION 14. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9114 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 The SORC shall keep any information regarding any debt referred
23 to the SORC confidential. All data, records and files utilized for
24 debt collection as provided for in this act shall be confidential

1 and privileged, and no person may divulge or disclose any
2 information obtained from such records and files except in the
3 administration and enforcement of this act.

4 SECTION 15. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 9115 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 The SORC shall have the authority to collect data for purposes
8 of collecting any debt referred to the SORC. Notwithstanding any
9 law to the contrary, referring entities are authorized to transmit
10 data to the SORC deemed necessary by the SORC to aid in the
11 collection of the referred debt. Notwithstanding any law to the
12 contrary, the SORC may request from any government agency any data
13 necessary to collect any debt referred to the SORC, and the data
14 shall be provided by the state agency to the SORC. Any information
15 provided by a referring entity or a government agency may only be
16 used for the purpose of collecting the debts referred to the SORC.

17 SECTION 16. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 9116 of Title 74, unless there
19 is created a duplication in numbering, reads as follows:

20 The SORC shall establish and maintain a centralized electronic
21 debt registry to compile the information provided by referring
22 entities, to track the collection efforts for all debt referred to
23 the SORC, to cross-reference and identify debtors for collection
24 purposes, and to maintain all information provided or collected from

1 all sources concerning addresses, financial records and any other
2 information useful by the SORC. The SORC is authorized to designate
3 a third party to establish and maintain the centralized electronic
4 debt registry system. Any third party designated by the SORC to
5 establish and maintain a centralized electronic debt registry system
6 must keep all information it obtains from any source confidential,
7 and any employee, agent or representative of that third party is
8 prohibited from disclosing that information to anyone other than the
9 SORC.

10 SECTION 17. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 9117 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 Notwithstanding other statutory provisions which provide for
14 execution, attachment, garnishment or levy against accounts, the
15 SORC may use an administrative wage assignment process to collect
16 the debt referred to the SORC for collection pursuant to Sections 17
17 to 36, inclusive, of this act.

18 SECTION 18. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9118 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 A debtor is subject to administrative wage assignment if the
22 debtor's debt is being collected by the SORC. Any amount forwarded
23 to the SORC by an employer under an administrative wage assignment
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1 shall not exceed the amount of the debtor's debt being collected by
2 the SORC.

3 SECTION 19. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9119 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The SORC may proceed with an administrative wage assignment only
7 if twenty days' notice has been provided by regular mail to the best
8 address of the debtor, notifying the debtor that the debtor is
9 subject to administrative wage assignment. If the SORC determines
10 that collection of the debt may be in jeopardy, the SORC may request
11 that the employer deliver notice of the wage assignment
12 simultaneously with the remainder of or in lieu of the debtor's
13 compensation due from the employer.

14 SECTION 20. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 9120 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 The SORC may obtain one or more wage assignments of a debtor who
18 is subject to this act. If the debtor has more than one employer
19 the SORC may receive wage assignments from one or more of the
20 employers until the debt of the debtor is satisfied. If a debtor
21 has more than one employer the SORC shall give notice to all
22 employers from whom an assignment is sought.

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1 SECTION 21. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 9121 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 The wage assignment notice from the SORC to the debtor, which
5 may be sent by electronic means if mutually agreed to by the
6 employer and the SORC, shall contain all of the following:

- 7 1. The name of the debtor;
- 8 2. The Social Security number of the debtor, if known;
- 9 3. A statement that the debtor is believed to have employment
10 with the stated employer;
- 11 4. A statement that pursuant to the provisions of this act, the
12 debtor's wages will be assigned to the SORC for payment of the
13 specified debts and that the employer is authorized and required to
14 forward monies to the SORC;
- 15 5. The maximum amount to be forwarded by the employer, which
16 shall not exceed the amount of debt being collected by or owed to
17 the SORC by the debtor;
- 18 6. The prescribed time frame the employer must meet in
19 forwarding any amounts;
- 20 7. A statement that any challenge to the action must be in
21 writing and must be received by the SORC within ten (10) days of the
22 date of the notice to the debtor;
- 23 8. The address of the SORC and the account number utilized by
24 the SORC for the debtor; and

1 9. The telephone number of the agent for the SORC initiating
2 the administrative wage assignment.

3 SECTION 22. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9122 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The SORC may contact an employer to obtain verification of
7 employment and any specific information from the employer that the
8 SORC needs to initiate, effectuate or maintain collection of the
9 debt. Contact with an employer may be by oral, written or
10 electronic communication. The employer may require proof of
11 authority from the person from the SORC and the telephone number of
12 the authorized person from the SORC before releasing a debtor's
13 employment information by telephone.

14 SECTION 23. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 9123 of Title 74, unless there
16 is created a duplication in numbering, reads as follows:

17 An employer is immune from any civil or criminal liability for
18 information released by the employer to the SORC pursuant to this
19 act.

20 SECTION 24. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 9124 of Title 74, unless there
22 is created a duplication in numbering, reads as follows:

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1 The SORC is not liable for any costs incurred or imposed for
2 initiating, effectuating or maintaining an administrative wage
3 assignment under this act.

4 SECTION 25. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 9125 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 If a debtor is subject to this act the SORC may initiate an
8 administrative wage assignment to have compensation due the debtor
9 to be assigned by the employer to the SORC up to the amount of the
10 full debt to be collected by the SORC.

11 SECTION 26. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 9126 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 The SORC shall send a notice of administrative wage assignment
15 to the employer within fourteen (14) days of sending notice of the
16 wage assignment to the debtor. The notice may be sent by electronic
17 means if mutually agreed to by the employer and the SORC. The
18 notice shall inform the employer of the amount to be assigned to the
19 SORC. Upon receipt of such notice of administrative wage
20 assignment, the employer shall withhold from compensation due or to
21 become due to the employee the total amount shown by the notice.
22 The SORC may direct the employer to withhold part of the amount due
23 the employee each pay period until the total amount as shown by the
24 notice has been withheld. The employer may not withhold more than

1 twenty-five percent (25%) of the compensation due any employee for
2 any one pay period, except if the employee leaves the employ of the
3 employer or gives notice of his or her intention to do so, or is
4 discharged for any reason, the employer shall withhold the entire
5 amount otherwise payable to such employee, or so much thereof as may
6 be necessary to equal the unwithheld balance of the amount shown in
7 the notice. The compensation due any employee for purposes of
8 determining the twenty-five percent (25%) maximum withholding for
9 any one pay period shall include all wages, salaries and fees
10 constituting income, including wages, salaries, income advances or
11 other consideration paid for future services, when paid to an
12 employee, less amounts payable pursuant to a garnishment action with
13 respect to which the employer was served prior to being served with
14 the notice of administrative wage assignment and any amounts covered
15 by any irrevocable and previously effective assignment of wages, of
16 which amounts and the facts relating to such assignment the employer
17 shall give notice to the SORC within ten (10) days after service of
18 the notice of administrative wage assignment.

19 SECTION 27. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9127 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 The notice of administrative wage assignment to the employer
23 shall contain all of the following:

24 1. The name of the debtor;

- 1 2. The Social Security number of the debtor, if known;
- 2 3. A statement that the debtor is believed to be employed by
- 3 the employer;
- 4 4. A statement that pursuant to the provisions of this act, the
- 5 debtor's wages are subject to assignment and the employer is
- 6 authorized and required to forward monies to the SORC;
- 7 5. The maximum amount that shall be forwarded by the employer,
- 8 which shall not exceed the amount of debt being collected by or owed
- 9 to the SORC by the debtor;
- 10 6. The prescribed time frame the employer must meet in
- 11 forwarding any amounts;
- 12 7. The address of the SORC and the account number utilized by
- 13 the SORC for the debtor; and
- 14 8. The telephone number of the agent for the SORC initiating
- 15 the administrative wage assignment.

16 SECTION 28. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 9128 of Title 74, unless there
18 is created a duplication in numbering, reads as follows:

19 Upon receipt of the notice of wage assignment from the SORC, the
20 employer shall do all of the following:

- 21 1. Immediately give effect to the wage assignment and hold
- 22 compensation which the debtor has owing to the extent of the debt
- 23 indicated in the notice from the SORC; and
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1 2. No sooner than ten (10) days and no later than twenty (20)
2 days from the date the employer receives the notice of wage
3 assignment, unless notified by the SORC of a challenge of the wage
4 assignment by the debtor, the employer shall begin forwarding the
5 debtor's compensation, to the extent required in the notice, to the
6 SORC with the debtor's name and Social Security number, the SORC's
7 account number for the debtor, and any other information required in
8 the notice.

9 SECTION 29. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 9129 of Title 74, unless there
11 is created a duplication in numbering, reads as follows:

12 The employer may assess a one-time fee against the debtor, not
13 to exceed Twenty-five Dollars (\$25.00), for forwarding of monies to
14 the SORC, for each notice as provided for in Section 26 of this act
15 received by the employer. This fee is in addition to the amount
16 owed to or being collected by the SORC from the debtor. If
17 insufficient funds are available from the debtor's compensation to
18 cover the fee and the amount in the notice of administrative wage
19 assignment, the employer may deduct the fee amount prior to
20 forwarding monies to the SORC and the amount credited to the
21 debtor's account with the SORC shall be reduced by the fee amount.

22 SECTION 30. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 9130 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 Challenges to an administrative wage assignment may be initiated
2 only by a debtor.

3 SECTION 31. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9131 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The debtor challenging an administrative wage assignment shall
7 submit a written challenge to the person identified as the agent for
8 the SORC in the notice of administrative wage assignment within ten
9 (10) days of the date of the notice of initiation of the assignment.

10 SECTION 32. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 9132 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 The SORC, upon receipt of a written challenge, shall review the
14 facts of the administrative wage assignment with the debtor within
15 ten (10) days of receipt of the challenge. If the debtor is not
16 available for the review on the scheduled date, the review may take
17 place without the debtor being present. Information in favor of the
18 debtor shall be considered by the SORC in the review. The SORC may
19 utilize additional information if such information is available.
20 Only a mistake of fact, including a mistake in the identity of the
21 debtor or a mistake in the amount owed to or being collected by the
22 SORC, shall be considered as a reason to dismiss or modify the
23 administrative wage assignment.

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1 SECTION 33. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 9133 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 If the SORC determines that a mistake of fact has occurred, the
5 SORC shall proceed as follows:

6 1. If a mistake in identity has occurred or the debtor does not
7 have a debt to be collected by the SORC, the SORC shall notify the
8 employer that the administrative wage assignment has been released.
9 The SORC shall send a copy of the notice to the SORC by regular
10 mail;

11 2. If the debt to be collected by the SORC is less than the
12 amount indicated in the notice, the SORC shall send a notice to the
13 employer of the revised amount, with a copy of the original notice,
14 and send a notice to the debtor by regular mail. Upon written
15 receipt of the notice from the SORC, the employer shall release the
16 funds in excess of the revised amount and forward the revised amount
17 to the SORC pursuant to the administrative wage assignment; and

18 3. Any money received by the SORC in excess of the amount owed
19 to or to be collected by the SORC shall be returned to the debtor.

20 SECTION 34. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 9134 of Title 74, unless there
22 is created a duplication in numbering, reads as follows:

23 If the SORC finds no mistake of fact, the SORC shall send a
24 notice to that effect to the debtor by regular mail and notify the

1 employer to forward the monies pursuant to the administrative wage
2 assignment.

3 SECTION 35. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9135 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The debtor shall have the right to file an action for wrongful
7 assignment in a court of local jurisdiction within thirty (30) days
8 of the date of the notice sent to a debtor pursuant to Section 33 or
9 34 of this act, either in the county where the debtor is located or
10 in the county where the SORC is located. Actions under this section
11 are in equity and not actions at law. Recovery under this section
12 is limited to restitution of the amount that has been wrongfully
13 encumbered or obtained by the SORC. A challenge to an
14 administrative wage assignment under this section cannot be used to
15 extend or reopen the statute of limitations to protest other actions
16 or to contest the amount or validity of the debt. Only issues
17 involving the assignment may be raised in a challenge to an
18 administrative action under this section.

19 SECTION 36. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9136 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 A notice of wage assignment given to the debtor is effective
23 without the serving of another notice until the debt being collected
24 by the SORC is paid in full or the debtor receives notice from the

1 SORC that the wage assignment shall cease. Cessation of the wage
2 assignment does not affect the debtor's duties and liabilities
3 respecting the wages, income or compensation already withheld
4 pursuant to the administrative wage assignment.

5 SECTION 37. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 9137 of Title 74, unless there
7 is created a duplication in numbering, reads as follows:

8 To assist the SORC in the collection of debts, the SORC may
9 establish and maintain a financial institution data match system for
10 the purpose of identifying and seizing the nonexempt assets of
11 debtors as identified by the SORC. The SORC is authorized to
12 designate a third party to establish and maintain this system. Any
13 third party designated by the SORC to establish and maintain a
14 financial institution data match system must keep all information it
15 obtains from both the SORC and the financial institution
16 confidential, and any employee, agent or representative of that
17 third party is prohibited from disclosing that information to anyone
18 other than the SORC or the financial institution.

19 SECTION 38. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9138 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 Each financial institution doing business in the state must, in
23 conjunction with the SORC, establish and maintain a data match
24 system to facilitate the identification and seizure of nonexempt

1 financial assets of debtors identified by the SORC. If a financial
2 institution has a data match system developed or used to administer
3 the child support enforcement programs of this state, and if that
4 system is approved by the SORC, the financial institution may use
5 that system to comply with the provisions of this section.

6 SECTION 39. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 9139 of Title 74, unless there
8 is created a duplication in numbering, reads as follows:

9 Each financial institution must provide identifying information
10 each calendar quarter to the SORC for each debtor identified by the
11 SORC who maintains an account at the institution. The identifying
12 information must include the debtor's name, address and Social
13 Security number or other taxpayer identification number, and all
14 account numbers and balances in each account.

15 SECTION 40. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 9140 of Title 74, unless there
17 is created a duplication in numbering, reads as follows:

18 A financial institution that complies with this section will not
19 be liable under state law to any person for the disclosure of
20 information to the SORC, or any other action taken in good faith to
21 comply with this act.

22 SECTION 41. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 9141 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 The financial institution furnishing a report to the SORC is
2 prohibited from disclosing to the debtor that the name of the debtor
3 has been received from or furnished to the SORC, unless authorized
4 in writing by the SORC to do so. A violation of this section will
5 result in the imposition of a civil penalty equal to the greater of
6 One Thousand Dollars (\$1,000.00) or the amount in the account of the
7 person to whom the disclosure was made for each instance of
8 unauthorized disclosure by the financial institution. That civil
9 penalty may be assessed and collected under the provisions of this
10 act.

11 SECTION 42. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 9142 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 A financial institution may disclose to its depositors or
15 account holders that the SORC has the authority to request certain
16 identifying information on certain depositors or account holders
17 under the financial institution data match system for debt
18 collection purposes.

19 SECTION 43. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9143 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 Notwithstanding other statutory provisions which provide for
23 execution, attachment, garnishment or levy against accounts, the
24 SORC may utilize the process established in Sections 43 to 61,

1 inclusive, of this act to collect debt referred to the SORC. It is
2 expressly provided that these remedies shall be cumulative and that
3 no action taken by the SORC shall be construed to be an election on
4 the part of the SORC to pursue any other remedy provided by law.

5 SECTION 44. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 9144 of Title 74, unless there
7 is created a duplication in numbering, reads as follows:

8 The SORC shall have the authority to make administrative bank
9 levies for purposes of collecting any debt referred to the SORC.
10 The SORC may initiate an administrative bank levy to seize one or
11 more accounts of a debtor who is subject to this act.

12 SECTION 45. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 9145 of Title 74, unless there
14 is created a duplication in numbering, reads as follows:

15 A person's account is subject to administrative bank levy under
16 this act if the person's debt obligation is being collected by the
17 SORC.

18 SECTION 46. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9146 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 Any amount forwarded by a financial institution pursuant to an
22 administrative bank levy shall not exceed the amount of debt due on
23 that date, including the cost-recovery charge, being collected by
24 the SORC.

1 SECTION 47. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 9147 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 The SORC may proceed with an administrative bank levy only if
5 notice has been sent by regular mail, by electronic means, by
6 delivery by an employee of the SORC or by any other means as
7 determined by the SORC at least twenty (20) days before the levy, to
8 the best address of the debtor, notifying the debtor that the
9 debtor's account is subject to administrative bank levy and of the
10 SORC's intention to use the levy process. The twenty-day notice
11 period shall not be required if the SORC determines that the
12 collection of past due amounts would be jeopardized by delay.

13 SECTION 48. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 9148 of Title 74, unless there
15 is created a duplication in numbering, reads as follows:

16 The SORC may contact a financial institution to obtain
17 verification of the account number, the names and Social Security
18 numbers listed for the account, and the account balance of an
19 account held by a debtor. Contact with a financial institution may
20 be by oral, written or electronic communication. The financial
21 institution may require an appropriate verification process for the
22 oral, written or electronic communication between the financial
23 institution and the SORC. The financial institution is immune from
24 any civil or criminal liability which might otherwise be incurred or

1 imposed for information released by the financial institution to the
2 SORC pursuant to this section.

3 SECTION 49. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9149 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 To initiate an administrative bank levy against an account of a
7 debtor, the SORC shall send a notice to the financial institution
8 with which the account is placed, directing the financial
9 institution to forward all or a portion of the monies in the
10 debtor's account to the SORC. The notice may be sent by electronic
11 means if mutually agreed to by the financial institution and the
12 SORC. The notice to the financial institution shall contain all of
13 the following:

- 14 1. The name of the debtor;
- 15 2. The Social Security number of the debtor, if known;
- 16 3. A statement that the debtor is believed to have an account
17 at the financial institution;
- 18 4. A statement that pursuant to the provisions of this act the
19 debtor's account is subject to seizure and the financial institution
20 is authorized and required to forward monies to the SORC;
- 21 5. The maximum amount that shall be forwarded by the financial
22 institution, which shall not exceed the debt being collected by the
23 SORC and the cost-recovery charge;

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1 6. The prescribed time frame which the financial institution
2 must meet in forwarding any amounts;

3 7. The address of the SORC and the account number utilized by
4 the SORC for the debtor; and

5 8. The telephone number of the agent for the SORC initiating
6 the action.

7 SECTION 50. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 9150 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 The SORC shall notify a debtor subject to an administrative bank
11 levy under this act. The notice shall contain all of the following:

12 1. The name of the debtor;

13 2. The Social Security number of the debtor, if known;

14 3. A statement that the debtor is believed to have an account
15 at the financial institution;

16 4. A statement that pursuant to the provisions of this act the
17 debtor's account is subject to seizure and the financial institution
18 is authorized and required to forward monies to the SORC;

19 5. The maximum amount to be forwarded by the financial
20 institution, which shall not exceed the debt being collected by the
21 SORC and the cost-recovery charge;

22 6. The prescribed time frame the financial institution must
23 meet in forwarding any amounts;

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1 7. A statement that any challenge to the action must be in
2 writing and must be received by the SORC within ten (10) days of the
3 date of the notice to the debtor;

4 8. The address of the SORC and the account number utilized by
5 the SORC for the debtor; and

6 9. The telephone number of the agent for the SORC initiating
7 the action.

8 The SORC shall send the notice of initiation of action to the
9 debtor by regular mail, by electronic means, by delivery by an
10 employee of the SORC, or by any other means as determined by the
11 SORC, within two (2) working days of sending the notice to the
12 financial institution pursuant to Section 49 of this act.

13 SECTION 51. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 9151 of Title 74, unless there
15 is created a duplication in numbering, reads as follows:

16 The SORC shall notify any other party known to have an interest
17 in an account subject to an administrative bank levy. The notice
18 shall contain all of the following:

- 19 1. The name of the debtor;
- 20 2. The name of the financial institution;
- 21 3. A statement that the account in which the other party is
22 known to have an interest is subject to seizure;

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1 4. A statement that any challenge to the action must be in
2 writing and must be received by the SORC within ten (10) days of the
3 date of the notice to the party known to have an interest;

4 5. The address of the SORC and the name of the debtor who also
5 has an interest in the account; and

6 6. The telephone number of the agent for the SORC initiating
7 the action.

8 SECTION 52. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 9152 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 The SORC shall send the notice required by Section 51 of this
12 act to the other party known to have an interest by regular mail, by
13 electronic means, by delivery by an employee of the SORC, or by any
14 other means as determined by the SORC, within two (2) working days
15 of sending the notice to the financial institution required by
16 Section 49 of this act.

17 SECTION 53. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 9153 of Title 74, unless there
19 is created a duplication in numbering, reads as follows:

20 Upon receipt of a notice under Section 49 of this act, the
21 financial institution shall do all of the following:

22 1. Immediately encumber funds in any account in which the
23 debtor has an interest to the extent of the debt indicated in the
24 notice from the SORC; and

1 2. No sooner than fifteen (15) days, and no later than twenty
2 (20) days from the date the financial institution receives the
3 notice under Section 49 of this act, unless notified by the SORC of
4 a challenge by the debtor or an account holder of interest, forward
5 the monies encumbered to the SORC with the debtor's name and Social
6 Security number, the SORC's account number for the debtor and any
7 other information required in the notice.

8 SECTION 54. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 9154 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 The financial institution may assess a fee against the debtor,
12 not to exceed Twenty-five Dollars (\$25.00), for forwarding of monies
13 to the SORC pursuant to Section 49 of this act. This fee is in
14 addition to the amount being collected by the SORC from the debtor.
15 If insufficient monies are available in the debtor's account to
16 cover the fee and the amount in the notice, the institution may
17 deduct the fee amount prior to forwarding monies to the SORC and the
18 amount credited to the debtor's account with the SORC shall be
19 reduced by the fee amount.

20 SECTION 55. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 9155 of Title 74, unless there
22 is created a duplication in numbering, reads as follows:

23 Challenges to an administrative bank levy may be initiated only
24 by a debtor or by an account holder of interest.

1 SECTION 56. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 9156 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 The person challenging an administrative bank levy shall submit
5 a written challenge to the person identified as the agent for the
6 SORC in the notice within ten (10) days of the date of the notice of
7 initiation of the levy.

8 SECTION 57. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 9157 of Title 74, unless there
10 is created a duplication in numbering, reads as follows:

11 The SORC, upon receipt of a written challenge, shall review the
12 facts of the administrative bank levy with the challenging party
13 within ten (10) days of receipt of the challenge. If the
14 challenging party is not available for the review on the scheduled
15 date, the review shall take place without the challenging party
16 being present. Information in favor of the challenging party shall
17 be considered by the SORC in the review. The SORC may utilize
18 additional information if such information is available. Only a
19 mistake of fact, including a mistake in the identity of the debtor
20 or a mistake in the amount owed to or being collected by the SORC,
21 shall be considered as a reason to dismiss or modify the levy.

22 SECTION 58. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 9158 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 If the SORC determines that a mistake of fact has occurred, the
2 SORC shall proceed as follows:

3 1. If a mistake in identity has occurred or the debtor does not
4 have a delinquent or accrued amount being collected by or owed to a
5 referring entity, the SORC shall notify the financial institution
6 that the administrative levy has been released. The SORC shall send
7 a copy of the notice to the debtor by regular mail; and

8 2. If the delinquent or accrued amount being collected by or
9 owed to the state is less than the amount indicated in the notice,
10 the SORC shall send a notice to the financial institution of the
11 revised amount, with a copy of the original notice, and send a
12 notice to the debtor by regular mail, by electronic means, by
13 delivery by an employee of the SORC, or by any other means as
14 determined by the SORC. Upon receipt of the notice from the SORC,
15 the financial institution shall release the funds in excess of the
16 revised amount and forward the revised amount to the SORC pursuant
17 to the administrative bank levy.

18 SECTION 59. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9159 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 If the SORC finds no mistake of fact, the SORC shall send a
22 notice to that effect to the challenging party by regular mail, by
23 electronic means, by delivery by an employee of the SORC, or by any
24 other means as determined by the SORC, and notify the financial

1 institution to forward the monies pursuant to the administrative
2 bank levy.

3 SECTION 60. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9160 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 The challenging party shall have the right to file an action for
7 wrongful levy in a court of local jurisdiction within thirty (30)
8 days of the date of the notice sent pursuant to Section 58 or
9 Section 59 of this act, either in the county where the debtor or the
10 party known to have an interest in the account resides or in the
11 county where the SORC is located. Actions under this section are in
12 equity and not actions at law. Recovery under this section is
13 limited to restitution of the amount that has been wrongfully
14 encumbered or obtained by the SORC.

15 SECTION 61. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 9161 of Title 74, unless there
17 is created a duplication in numbering, reads as follows:

18 A challenge to an administrative action under Section 60 of this
19 act cannot be used to extend or reopen the statute of limitations,
20 to protest other actions of the referring entity, or to contest the
21 amount or validity of the debt. Only issues involving the levy can
22 be raised in a challenge to the action under Section 60 of this act.

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1 SECTION 62. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 9162 of Title 74, unless there
3 is created a duplication in numbering, reads as follows:

4 The SORC shall have that settlement authority granted to it by
5 the referring entity. The SORC and the referring entity may enter
6 into an agreement regarding settlement authority.

7 SECTION 63. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 9163 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 No person that owes a debt that is referred to the SORC for
11 collection shall be able to renew, obtain or maintain any
12 registration for any motor vehicle, motorcycle, boat or other
13 conveyances in which the person's name appears on the title of the
14 motor vehicle, motorcycle, boat or other conveyances unless the debt
15 and cost-recovery charge is either paid in full or the debtor has
16 entered into a payment plan with SORC and the payment plan is
17 current.

18 SECTION 64. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 9164 of Title 74, unless there
20 is created a duplication in numbering, reads as follows:

21 No person that owes a debt that is referred to the SORC for
22 collection shall be able to renew, obtain or maintain any
23 professional license issued by any unit of the state unless the debt
24 and cost-recovery charge is either paid in full or the debtor has

1 entered into a payment plan with SORC and the payment plan is
2 current.

3 SECTION 65. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 9165 of Title 74, unless there
5 is created a duplication in numbering, reads as follows:

6 No person that owes a debt that is referred to the SORC for
7 collection shall be able to renew, obtain or maintain any hunting
8 license or any fishing license, unless the debt and cost-recovery
9 charge is either paid in full or the debtor has entered into a
10 payment plan with SORC and the payment plan is current.

11 SECTION 66. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 9166 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 Any payment of any kind to be made to a debtor by the state when
15 the debtor has a debt that is referred to the SORC for collection is
16 subject to offset by the SORC unless the debt and cost-recovery
17 charge is either paid in full or the debtor has entered into a
18 payment plan with SORC and the payment plan is current.

19 SECTION 67. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 9167 of Title 74, unless there
21 is created a duplication in numbering, reads as follows:

22 If the SORC is unable to collect the debt referred for
23 collection, the SORC, with the approval of the referring entity, may
24 forward the debt for collection to a collection agency or agencies.

1 The debt collection agency shall be permitted to add a collection
2 charge to the debt forwarded to the collection agency for collection
3 as payment for its collection services.

4 SECTION 68. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 9168 of Title 74, unless there
6 is created a duplication in numbering, reads as follows:

7 If more than one referring entity has referred a debt to the
8 SORC for collection regarding the same debtor, or if the same
9 referring entity has referred multiple debts to the SORC for
10 collection regarding the same debtor, the SORC shall collect the
11 first referred debt before proceeding to the collection of the
12 second or subsequent referred debt.

13 SECTION 69. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 9169 of Title 74, unless there
15 is created a duplication in numbering, reads as follows:

16 The SORC may promulgate rules in the following areas:

- 17 1. Definitions;
- 18 2. Procedure for remitting monies collected to referring
19 entities;
- 20 3. Processes and procedures for entering into payment
21 agreements with debtors;
- 22 4. The cost-recovery charge;
- 23 5. The data collection system;
- 24 6. The centralized electronic debt registry;

- 1 7. The administrative levy process;
- 2 8. The financial institution data match system;
- 3 9. The administrative bank levy process;
- 4 10. The settlement authority process;
- 5 11. The nonrenewal of registrations for motor vehicles,
- 6 motorcycles and boats;
- 7 12. The nonrenewal of professional licenses;
- 8 13. The nonissuance of hunting licenses and fishing licenses;
- 9 14. The setoff of debt process; and
- 10 15. Collection agencies.

11 SECTION 70. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 9170 of Title 74, unless there
13 is created a duplication in numbering, reads as follows:

14 The SORC shall maintain the necessary data to provide
15 statistical measurements of the operation of the SORC as provided in
16 this act.

17 SECTION 71. This act shall become effective November 1, 2017.

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