

§185-A. Setoff of refunds to debts owed to other agencies of the State

1. Generally. An agency of the State, including the University of Maine System and the Maine Community College System, that is authorized to collect from a person a liquidated debt greater than \$25, referred to in this section as "the creditor agency," may notify the State Tax Assessor in writing of the identity of the person and the amount of the debt. The assessor shall then set aside, to the extent of that debt, any amount due to the person under this Title, except for amounts due to that person under Part 2 of this Title. A liquidated child support debt that the Department of Health and Human Services has contracted to collect, pursuant to Title 19-A, section 2103 or 2301, subsection 2, is eligible for setoff pursuant to this section.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

2. Notice and hearing. At the time a setoff is made pursuant to this section, the assessor shall provide notice to the person of the setoff and of the person's right to request, within 60 days of receipt of notice of the setoff, a hearing before the creditor agency. The hearing must be held in accordance with the Maine Administrative Procedure Act and is limited to the issues of whether the person whose debt was set off is the same person who is indebted to the creditor agency, whether the debt became liquidated and whether any post-liquidation event has affected the liability.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

3. Transfer of proceeds. After providing the notice required by subsection 2, the assessor shall transfer the set-off refund amount to the creditor agency. The assessor shall provide the creditor agency with information sufficient to identify each person whose refund is set off pursuant to this section. If the person is an individual, the information must include the individual's name, last known address and social security number.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

4. Finalization of setoff; release of refund to person. If the person fails to make a timely request for hearing under subsection 2 or a hearing is held before the creditor agency and a liquidated debt is determined to be due to that agency, the setoff is final except as determined by further appeal. The creditor agency shall release to the person any set-off refund amount determined after hearing not to be a liquidated debt due to the agency within 90 days of the determination or as otherwise provided by the agency in an adopted rule.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

5. Appeal. The decision of the creditor agency seeking setoff in a hearing pursuant to subsection 2 constitutes final agency action appealable under the Maine Administrative Procedure Act.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

6. Accounting. The creditor agency shall credit the account of a person whose refund has been set off with the full amount transferred to the agency by the assessor pursuant to this section.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

7. Priority. If claims under this section from more than one agency are received by the assessor with respect to one person, the assessor shall set off against the refund due that person as many claims of the agencies as possible in the following order of priority:

A. Liquidated child support debts owed to the Department of Health and Human Services; [PL 2019, c. 659, Pt. D, §6 (NEW).]

B. Court-ordered restitution obligations; [PL 2019, c. 659, Pt. D, §6 (NEW).]

C. Fines and fees owed to any of the courts; and [PL 2019, c. 659, Pt. D, §6 (NEW).]

D. All other claims in the order of their receipt by the assessor. [PL 2019, c. 659, Pt. D, §6 (NEW).]

[PL 2019, c. 659, Pt. D, §6 (NEW).]

8. Disclosure of information. In any civil or criminal action in which a fine, order to pay or money judgment is entered in favor of the State or any agency or department of the State, or in any action in which counsel is assigned for an indigent party, the court may require the person so indebted to the State, agency or department, or the party for whom counsel has been assigned, to provide financial information under oath and on such forms as may be prepared by the Judicial Department, together with any other information reasonably related to fulfilling the purposes of this section. In the case of an individual debtor, the required information may include the individual's social security number. The Judicial Department may disclose social security numbers and financial information obtained in accordance with this subsection to agencies or departments of the State and to private collection agencies working under contract for the State for the purpose of collection of the amounts owed. A person who has access to or receives social security numbers or other financial information under this subsection shall maintain the confidentiality of the information and use it only for the purposes for which it was disclosed.

[PL 2019, c. 659, Pt. D, §6 (NEW).]

SECTION HISTORY

PL 2019, c. 659, Pt. D, §6 (NEW).

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