

House Bill 1000

By: Representatives Fleming of the 121st, Carter of the 175th, Oliver of the 82nd, Frye of the 118th, and Tankersley of the 160th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide for setoff debt collection against state income tax refunds for debts
3 owed to political subdivisions and courts; to provide for a revision of setoff debt collection
4 policies and systems relating to state income tax refunds; to amend Title 50 of the Official
5 Code of Georgia Annotated, relating to state government, so as to provide for setoff debt
6 collection against lottery prizes for debts owed to political subdivisions and courts; to
7 provide for a revision of setoff debt collection policies and systems relating to lottery prizes;
8 to provide for definitions, procedures, conditions, and limitations; to provide for related
9 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
13 amended by revising Article 7 of Chapter 7, relating to setoff debt collection, as follows:

14 "ARTICLE 7

15 48-7-160.

16 The purpose of this article is to establish a policy and to provide a system whereby all state
17 or local claimant agencies ~~of this state~~ in conjunction with the department shall cooperate
18 in identifying debtors who owe money to ~~the state~~ ~~through its various~~ or local claimant
19 agencies and who qualify for refunds from the department. It is also the purpose of this
20 article to establish procedures for setting off against any such refund the sum of any debt
21 owed to ~~the state~~ or local claimant agencies. It is the intent of the General Assembly that
22 this article be liberally construed to effectuate these purposes."

23 48-7-161.

24 As used in this article, the term:

25 ~~(1) 'Claimant agency' means and includes, in the order of priority set forth below:~~

26 ~~(A) The Department of Human Services and the Department of Behavioral Health and~~
 27 ~~Developmental Disabilities with respect to collection of debts under Article 1 of~~
 28 ~~Chapter 11 of Title 19, Code Section 49-4-15, and Chapter 9 of Title 37;~~

29 ~~(B) The Georgia Student Finance Authority with respect to the collection of debts~~
 30 ~~arising under Part 3 of Article 7 of Chapter 3 of Title 20;~~

31 ~~(C) The Georgia Higher Education Assistance Corporation with respect to the~~
 32 ~~collection of debts arising under Part 2 of Article 7 of Chapter 3 of Title 20;~~

33 ~~(D) The Georgia Board for Physician Workforce with respect to the collection of debts~~
 34 ~~arising under Part 6 of Article 7 of Chapter 3 of Title 20;~~

35 ~~(E) The Department of Labor with respect to the collection of debts arising under Code~~
 36 ~~Sections 34-8-254 and 34-8-255 and Article 5 of Chapter 8 of Title 34, with the~~
 37 ~~exception of Code Sections 34-8-158 through 34-8-161; provided, however, that the~~
 38 ~~Department of Labor establishes that the debtor has been afforded required due process~~
 39 ~~rights by such Department of Labor with respect to the debt and all reasonable~~
 40 ~~collection efforts have been exhausted;~~

41 ~~(F) The Department of Corrections with respect to probation fees arising under Code~~
 42 ~~Section 42-8-34 and restitution or reparation ordered by a court as a part of the sentence~~
 43 ~~imposed on a person convicted of a crime who is in the legal custody of the department;~~

44 ~~(G) The State Board of Pardons and Paroles with respect to restitution imposed on a~~
 45 ~~person convicted of a crime and subject to the jurisdiction of the board; and~~

46 ~~(H) The Department of Juvenile Justice with respect to restitution imposed on a~~
 47 ~~juvenile for a delinquent act which would constitute a crime if committed by an adult.~~

48 ~~(2)(1) 'Debt' means:~~

49 ~~(A) For a state claimant agency, any liquidated sum due and owing any such claimant~~
 50 ~~agency, which sum has accrued through contract, subrogation, tort, or operation of law~~
 51 ~~regardless of whether there is an outstanding judgment for the sum, any sum which is~~
 52 ~~due and owing any person and is enforceable by the Department of Human Services~~
 53 ~~pursuant to subsection (b) of Code Section 19-11-8, or any sum of restitution or~~
 54 ~~reparation due pursuant to a sentence imposed on a person convicted of a crime and~~
 55 ~~sentenced to restitution or reparation and probation.; or~~

56 ~~(B) For a local claimant agency, any liquidated sum due and owing such local claimant~~
 57 ~~agency prior to or after the effective date of this Act, which sum constitutes court fines~~
 58 ~~or fees or constitutes charges for emergency medical services and which sum:~~

59 ~~(i) Has accrued through contract, subrogation, or operation of law; or~~

60 (ii) Constitutes any and all court costs, surcharges, and fines, for which there is an
 61 outstanding judgment for the sum or which constitutes restitution or reparation due
 62 pursuant to a sentence imposed on a person convicted of a crime and sentenced to
 63 restitution or reparation and probation.

64 ~~(3)~~(2) 'Debtor' means any individual owing money to or having a delinquent account
 65 with any state or local claimant agency, which obligation has not been adjudicated as
 66 satisfied by court order, set aside by court order, or discharged in bankruptcy.

67 (3) 'Local claimant agency' means a political subdivision or a local court which has
 68 entered into a contract with a local government clearing-house for the submission of
 69 debts owed to such political subdivisions or local courts. Utilization of a local
 70 government clearing-house shall be the sole manner through which such debts may be
 71 submitted to the department for collection under this article. The order of priority of any
 72 claim submitted by a local claimant agency shall be subordinate to all state claimant
 73 agencies.

74 (4) 'Local government clearing-house' means a Georgia nonprofit corporation, except for
 75 a public utility, in existence on or before January 1, 2012, whose income is exempt from
 76 federal income taxation pursuant to Section 115 of the Internal Revenue Code of 1986,
 77 which has entered into a contract with the department for the purpose of submitting debts
 78 owed to political subdivisions or local courts for collection under this article. Such
 79 clearing-house shall be authorized to enter into any written contract as deemed
 80 appropriate for the outsourcing of powers and functions under this article.

81 (5) 'Political subdivision' means an entity located in this state consisting of any county,
 82 municipality, or consolidated government.

83 ~~(4)~~(6) 'Refund' means the Georgia income tax refund which the department determines
 84 to be due any individual taxpayer.

85 (7) 'State claimant agency' means and includes, in the order of priority set forth below:

86 (A) The Department of Human Services and the Department of Behavioral Health and
 87 Developmental Disabilities with respect to collection of debts under Article 1 of
 88 Chapter 11 of Title 19, Code Section 49-4-15, and Chapter 9 of Title 37;

89 (B) The Georgia Student Finance Authority with respect to the collection of debts
 90 arising under Part 3 of Article 7 of Chapter 3 of Title 20;

91 (C) The Georgia Higher Education Assistance Corporation with respect to the
 92 collection of debts arising under Part 2 of Article 7 of Chapter 3 of Title 20;

93 (D) The Georgia Board for Physician Workforce with respect to the collection of debts
 94 arising under Part 6 of Article 7 of Chapter 3 of Title 20;

95 (E) The Department of Labor with respect to the collection of debts arising under Code
 96 Sections 34-8-254 and 34-8-255 and Article 5 of Chapter 8 of Title 34, with the

97 exception of Code Sections 34-8-158 through 34-8-161; provided, however, that the
 98 Department of Labor establishes that the debtor has been afforded required due process
 99 rights by such Department of Labor with respect to the debt and all reasonable
 100 collection efforts have been exhausted;

101 (F) The Department of Corrections with respect to probation fees arising under Code
 102 Section 42-8-34 and restitution or reparation ordered by a court as a part of the sentence
 103 imposed on a person convicted of a crime who is in the legal custody of the department;

104 (G) The State Board of Pardons and Paroles with respect to restitution imposed on a
 105 person convicted of a crime and subject to the jurisdiction of the board; and

106 (H) The Department of Juvenile Justice with respect to restitution imposed on a
 107 juvenile for a delinquent act which would constitute a crime if committed by an adult.

108 48-7-162.

109 The collection remedy authorized by this article is in addition to and not in substitution for
 110 any other remedy available by law.

111 48-7-162.1.

112 The voluntary determination of a court to enter into a contract with a local government
 113 clearing-house for the purposes of this article shall be made by the judges of such court
 114 subject to the approval of the governing authority of the appropriate political subdivision.

115 48-7-163.

116 (a) A state claimant agency or local government clearing-house may submit any debt or
 117 debts when each such debt is in excess of ~~\$25.00~~ \$50.00 ~~owed in accordance with Code~~
 118 ~~Section 48-7-161~~ to the department for collection through setoff under the procedure
 119 procedures established by this article, except in cases where the validity of the debt is
 120 legitimately in dispute, an alternate means of collection is pending and believed to be
 121 adequate, or such collection would result in a loss of federal funds or federal assistance.

122 (b) Upon request of a state claimant agency or local government clearing-house, the
 123 department shall set off any refund ~~as defined in Code Section 48-7-161~~ against the debt
 124 certified by the state claimant agency or local government clearing-house as provided in
 125 this article.

126 (c) An administrative collection assistance fee shall be imposed on each such debt
 127 collected through setoff under this article to recover the costs incurred by the department
 128 and local government clearing-house in collecting debts under this article. The amount of
 129 such fee shall be fixed in a reasonable amount such that the proceeds of the fee shall not
 130 exceed the total direct and indirect costs to the department and local government

131 clearing-house for administering such debt setoff collection and in no event shall the
 132 amount of such fee exceed \$20.00 per debt. The fee shall be paid to the local government
 133 clearing-house as part of the debt and the local government clearing-house shall reimburse
 134 the department from the proceeds of such fee based upon the actual costs incurred by the
 135 department. Such proceeds shall be retained and expended by the department pursuant to
 136 Code Section 45-12-92.1.

137 (d) A state claimant agency or a local claimant agency acting through the local government
 138 clearing-house shall whenever possible and when not otherwise prohibited by law obtain
 139 and provide to the department the full name, social security number, address, and any other
 140 identifying information deemed necessary by the department for collection of a debt. The
 141 department shall provide the state claimant agency or local government clearing-house any
 142 updated or corrected identifying information regarding a taxpayer whose debt has been
 143 submitted for collection under this article.

144 48-7-164.

145 (a)(1) Within a time frame specified by the department, a claimant agency seeking to
 146 collect a debt through setoff shall supply the information necessary to identify each
 147 debtor whose refund is sought to be set off and shall certify the amount of the debt or
 148 debts owed by each debtor.

149 (2) A local claimant agency seeking to collect a debt through a local government
 150 clearing-house through setoff shall supply the information necessary to identify each
 151 debtor whose refund is sought to be set off and shall certify the amount of the debt or
 152 debts owed by each debtor.

153 (3) The department may rely upon the certification by the state claimant agency or local
 154 government clearing-house that the debt is valid and owed by the debtor and that such
 155 debt may be validly collected by the department under this article. No employee or agent
 156 of the department shall be liable to any person for collecting any such debt that was not
 157 valid and owed by the debtor.

158 (b)(1) If a debtor identified by a state claimant agency or local government
 159 clearing-house is determined by the department to be entitled to a refund of at least
 160 ~~\$25.00~~ \$50.00, the department shall transfer an amount equal to the refund owed, not to
 161 exceed the amount of the claimed debt certified, to the state claimant agency or local
 162 government clearing-house. When the refund owed exceeds the claimed debt and
 163 collection fees, the department shall send the excess amount to the debtor within a
 164 reasonable time after the excess is determined.

165 (2) When the amount of the setoff available for claims of a local claimant agency is
 166 insufficient for the combined total of the claims filed by local claimant agencies of a

167 political subdivision, distribution of the available setoff funds shall be made in the order
 168 of the date the local claimant agency claim is received by the department from the local
 169 government clearing-house. Such claim shall remain active until sufficient additional
 170 setoff funds become available to set off the remainder of the debt or until the claim itself
 171 expires by law.

172 (3) If the department is able to collect only part of a debt through setoff under this article,
 173 the collection assistance fees shall have priority over the remainder of the debt.

174 (c) At the time of the transfer of funds to a state claimant agency or local government
 175 clearing-house pursuant to ~~subsection (b)~~ of this Code section, the department shall notify
 176 the taxpayer or taxpayers whose refund is sought to be set off and the state claimant agency
 177 or local government clearing-house that the transfer has been made. The notice shall
 178 clearly set forth the name of the debtor, the manner in which the debt arose, the amount of
 179 the claimed debt, the transfer of funds to the state claimant agency or local government
 180 clearing-house pursuant to ~~subsection (b)~~ of this Code section and the intention to set off
 181 the refund against the debt, the amount of the refund in excess of the claimed debt, the
 182 taxpayer's opportunity to give written notice to contest the setoff within 30 days of the date
 183 of mailing of the notice, the name and mailing address of the state claimant agency or local
 184 government clearing-house to which the application for a hearing must be sent, and the fact
 185 that failure to apply for a hearing in writing within the 30 day period will be deemed a
 186 waiver of the opportunity to contest the setoff. In the case of a joint return, the notice shall
 187 also state the name of any taxpayer named in the return against whom no debt is claimed,
 188 the fact that a debt is not claimed against such taxpayer, the fact that such taxpayer is
 189 entitled to receive a refund if it is due him or her regardless of the debt asserted against his
 190 or her spouse, and that in order to obtain a refund due him or her such taxpayer must apply
 191 in writing for a hearing with the state claimant agency or local government clearing-house
 192 named in the notice within 30 days of the date of the mailing of the notice. If a taxpayer
 193 fails to apply in writing for a hearing within 30 days of the mailing of the notice, he or she
 194 will have waived his or her opportunity to contest the setoff.

195 (d) Upon receipt of funds transferred from the department pursuant to ~~subsection (b)~~ of
 196 this Code section, the state claimant agency or local government clearing-house shall
 197 deposit and hold the funds in an escrow account until a final determination of the validity
 198 of the debt. Any interest accruing on proceeds in such escrow account shall not constitute
 199 any part of the setoff funds being held in escrow and shall be retained by the state claimant
 200 agency or local government clearing-house to cover administrative costs.

201 ~~(e) The claimant agency shall pay the department for all costs incurred by the department~~
 202 ~~in setting off debts in the manner provided in this article.~~

203 48-7-165.

204 (a)(1) If ~~the~~ a state claimant agency receives written application contesting the setoff or
 205 the sum upon which the setoff is based, it shall grant a hearing to the taxpayer to
 206 determine whether the setoff is proper or the sum is valid according to the procedures
 207 established under Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.' If
 208 the sum asserted as due and owing is not correct, an adjustment of the claimed debt shall
 209 be made.

210 (2) A request for a hearing pursuant to the Internal Revenue Code to contest the
 211 collection of past-due support may be consolidated with a request for a hearing under
 212 paragraph (1) of this subsection. If the sum asserted as due and owing is not correct, an
 213 adjustment of the claimed debt shall be made.

214 (b) The hearing established by subsection (a) of this Code section shall be in lieu of a
 215 hearing before the department to determine the validity of the debt or the propriety of the
 216 setoff.

217 (c) No issues which have been previously litigated shall be considered at the hearing.

218 (d) Appeals from actions taken at the hearing allowed under this Code section shall be in
 219 accordance with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

220 48-7-165.1.

221 (a)(1) Except as otherwise provided in subsection (d) of this Code section, if the local
 222 government clearing-house receives written notice from the debtor contesting the setoff
 223 or the sum upon which the setoff is based within 30 days of the debtor being notified of
 224 the debt setoff, the local government clearing-house shall immediately notify the political
 225 subdivision or local court to whom the debt is owed that the sum due and owing shall not
 226 be subject to setoff pursuant to this article until the political subdivision or local court to
 227 whom the debt is owed has obtained a final determination on the debt under this Code
 228 section and provided evidence of such final determination to the local government
 229 clearing-house. Such sum due and owing shall not be disbursed to the debtor or the
 230 political subdivision or local court to whom the debt is owed prior to such final
 231 determination.

232 (2) The hearing required under this Code section shall be conducted after notice of such
 233 hearing is provided to the debtor by certified mail or personal service. When personal
 234 service is utilized, such personal service shall be made by the officers designated by the
 235 governing authority of the political subdivision, the officers of the local court designated
 236 by the judges of that court, or any other officers authorized by law to serve process.

237 (b)(1) The governing authority of each political subdivision submitting debts to the local
 238 government clearing-house or the officers of the local court designated by the judges of

239 that court submitting debts to the local government clearing-house shall appoint a hearing
240 officer for the purpose of conducting hearings under this Code section. The governing
241 authority of each such political subdivision or such officers of the local court shall adopt
242 appropriate procedures to govern the conducting of hearings by the hearing officer. A
243 written or electronic copy of such procedures shall be provided to a debtor immediately
244 upon the receipt of notice from a debtor under subsection (a) of this Code section.

245 (2) Issues that have been previously litigated shall not be considered at a hearing. The
246 hearing officer shall determine whether the debt is owed to the political subdivision or
247 the local court and the amount of the debt. Such determination shall be in writing and
248 shall be provided to the debtor and local government clearing-house within five days after
249 the date the hearing is conducted.

250 (3) If the debtor or the political subdivision or local court disagrees with the
251 determination of the hearing officer, either party may appeal that determination by filing
252 a petition in the superior court not later than ten days following the date of the hearing
253 officer's written determination. The superior court judge shall conduct a hearing and shall
254 render a final determination in writing and shall transmit a copy to the hearing officer, the
255 debtor, and the local government clearing-house not later than ten days after the date of
256 that hearing.

257 (4) The losing party to such proceeding as provided for in paragraph (3) of this
258 subsection shall pay any filing fees and costs of service, except that the governing
259 authority of the political subdivision or the officers of the local court designated by the
260 judges of that court shall be authorized to waive such fees and costs. The political
261 subdivision or local court submitting the debt to the local government clearing-house
262 shall be responsible for attorneys' fees of the debtor who is contesting the setoff in cases
263 where the superior court finds in favor of the debtor.

264 (5) A county and one or more other political subdivisions within such county may, by
265 intergovernmental agreement or joint resolution, establish and adopt procedures for
266 appointing a hearing officer for the purpose of conducting hearings required by this Code
267 section.

268 (c) If a political subdivision or local court submits a debt for collection under this article
269 following final determination of the debt in accordance with this Code section and the local
270 government clearing-house is notified by the department that no refund proceeds are
271 available or sufficient for setoff of the entire debt, such claim shall remain valid until
272 sufficient refund proceeds are available for setoff as provided in subsection (b) of Code
273 Section 48-7-164 and are not subject to further appeal.

274 (d) No contest shall be authorized under this Code section if the debt consists of any
275 liquidated sum described in division (1)(B)(ii) of Code Section 48-7-161.

276 48-7-166.

277 (a)(1) Upon final determination of the amount of the debt due and owing by means of
 278 the hearing provided by Code Section 48-7-165 or by the taxpayer's default through
 279 failure to comply with subsection (c) of Code Section 48-7-164, the state claimant agency
 280 shall remove the amount of the debt due and owing from the escrow account established
 281 pursuant to Code Section 48-7-164 and shall credit the amount to the debtor's obligation.

282 (2) Upon final determination of the amount of the debt due and owing as provided by
 283 Code Section 48-7-165.1, or by the taxpayer's default through failure to comply with
 284 subsection (c) of Code Section 48-7-164, the local government clearing-house shall
 285 remove the amount of the debt due and owing from the escrow account established
 286 pursuant to Code Section 48-7-164 and shall credit the amount to the debtor's obligation.

287 (b) Upon transfer of the debt due and owing from the escrow account to the credit of the
 288 debtor's account, the state claimant agency or local government clearing-house shall notify
 289 the debtor in writing of the finalization of the setoff. The department shall prepare a notice
 290 for use by the state claimant agency or local government clearing-house. Such notice shall
 291 include a final accounting of the refund which was set off, including the amount of the
 292 refund to which the debtor was entitled prior to setoff, the amount of the debt due and
 293 owing, the amount of the refund in excess of the debt which has been returned to the debtor
 294 by the department pursuant to ~~subsection (b)~~ of Code Section 48-7-164, and the amount of
 295 the funds transferred to the state claimant agency or local government clearing-house
 296 pursuant to Code Section 48-7-164 in excess of the debt finally determined to be due and
 297 owing at a hearing held pursuant to Code Section 48-7-165 or 48-7-165.1, if such a hearing
 298 was held or the amount of the funds transferred to the local government clearing-house
 299 pursuant to Code Section 48-7-164 is in excess of the debt finally determined to be due and
 300 owing pursuant to Code Section 48-7-165.1 as determined in the filing of an appeal. At
 301 such time, the state claimant agency or local government clearing-house shall refund to the
 302 debtor the amount of the claimed debt originally certified and transferred to it by the
 303 department in excess of the amount of debt finally found to be due and owing.

304 (c) Following finalization of the setoff pursuant to subsection (b) of this Code section, the
 305 local government clearing-house shall transfer the funds to the local claimant agency. Any
 306 funds so transferred by the local government clearing-house shall be disbursed by the local
 307 claimant agency in the same manner as if such funds had been originally collected by such
 308 local claimant agency without having resorted to collection under this article.

309 48-7-167.

310 When the setoff authorized by this article is exercised, the refund which is set off shall be
 311 deemed granted.

312 48-7-168.

313 The department has priority pursuant to subsection (c) of Code Section 48-2-35 over every
314 state claimant agency and the local government clearing-house for collection by setoff
315 under this article.

316 48-7-169.

317 The commissioner is authorized to prescribe forms and to promulgate rules and regulations
318 which he or she deems necessary in order to effectuate this article.

319 48-7-170.

320 (a) Notwithstanding Code Section 48-7-60, which prohibits disclosure by the department
321 of the contents of taxpayer records or information, and notwithstanding any other
322 confidentiality statute, the commissioner may provide to a state claimant agency or the
323 local government clearing-house all information necessary to accomplish and effectuate
324 the intent of this article.

325 (b) The information obtained by a state claimant agency or the local government
326 clearing-house from the department in accordance with this article shall retain its
327 confidentiality and shall only be used by a state claimant agency or the local government
328 clearing-house in the pursuit of its debt collection duties and practices. Any employee or
329 prior employee of any state claimant agency or the local government clearing-house who
330 unlawfully discloses any such information for any other purpose, except as otherwise
331 specifically authorized by law, shall be subject to the same penalties specified by law for
332 unauthorized disclosure of confidential information by an agent or employee of the
333 department."

334 **SECTION 2.**

335 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
336 by revising Article 2 of Chapter 27, relating to setoff debt collection against lottery prizes,
337 as follows:

338 "ARTICLE 2

339 50-27-50.

340 The purpose of this article is to establish a policy and to provide a system whereby all
341 claimant agencies of this state and local claimant agencies acting through the local
342 government clearing-house in conjunction with the corporation shall cooperate in
343 identifying debtors who owe money to the state through its various claimant agencies or

344 to persons on whose behalf the state and its claimant agencies act or who owe money to
 345 political subdivisions or local courts or to persons on whose behalf the political subdivision
 346 or local court acts and who qualify for prizes under Article 1 of this chapter from the
 347 corporation. It is also the purpose of this article to establish procedures for setting off
 348 against any such prize the sum of any debt owed to the state or to persons on whose behalf
 349 the state and its claimant agencies act or who owe money to political subdivisions or local
 350 courts or to persons on whose behalf the political subdivisions or local courts act. It is the
 351 intent of the General Assembly that this article be liberally construed to effectuate these
 352 purposes.

353 50-27-51.

354 As used in this article, the term:

355 ~~(1) 'Claimant agency' means any state agency, department, board, bureau, commission,~~
 356 ~~or authority to which an individual owes a debt or which acts on behalf of an individual~~
 357 ~~to collect a debt.~~

358 ~~(2)(1) 'Debt' means any liquidated sum due and owing any claimant agency, which sum~~
 359 ~~has accrued through contract, subrogation, tort, or operation of law regardless of whether~~
 360 ~~there is an outstanding judgment for the sum, or any sum which is due and owing any~~
 361 ~~person and is enforceable by the state or any of its agencies or departments shall have the~~
 362 ~~same meaning as such term is defined in Code Section 48-7-161.~~

363 ~~(3)(2) 'Debtor' means any individual owing money to or having a delinquent account~~
 364 ~~with any claimant agency, which obligation has not been adjudicated as satisfied by court~~
 365 ~~order, set aside by court order, or discharged in bankruptcy shall have the same meaning~~
 366 ~~as such term is defined in Code Section 48-7-161.~~

367 (3) 'Local claimant agency' shall have the same meaning as such term is defined in Code
 368 Section 48-7-161.

369 (4) 'Local government clearing-house' means a Georgia nonprofit corporation, except for
 370 a public utility, in existence on or before January 1, 2012, whose income is exempt from
 371 federal income tax pursuant to Section 115 of the Internal Revenue Code of 1986, which
 372 has entered into a contract with the corporation for purpose of submitting debts owed to
 373 political subdivisions or local courts for collection under this article. Such clearing-house
 374 shall be authorized to enter into any written contract as deemed appropriate for the
 375 outsourcing of powers and functions under this article.

376 (5) 'Political subdivision' shall have the same meaning as such term is defined in Code
 377 Section 48-7-161.

378 ~~(4)(6) 'Prize' means the proceeds of any lottery prize awarded under Article 1 of this~~
 379 ~~chapter other than instant payout winnings.~~

380 (7) 'State claimant agency' means any state agency, department, board, bureau,
 381 commission, or authority to which an individual owes a debt or which acts on behalf of
 382 an individual to collect a debt.

383 50-27-52.

384 The collection remedy authorized by this article is in addition to and not in substitution for
 385 any other remedy available by law.

386 50-27-53.

387 (a)(1) Any state claimant agency may submit to the corporation a list of the names of all
 388 persons owing debts in excess of ~~\$100.00~~ \$50.00 to such claimant agency or to persons
 389 on whose behalf the claimant agency is acting.

390 (2) The local government clearing-house may submit to the corporation a list of the
 391 names of all persons owing debts in excess of \$50.00 to a political subdivision or local
 392 court.

393 (3) The full amount of the such debt provided for in paragraphs (1) and (2) of this
 394 subsection shall be collectable from any lottery winnings without regard to limitations on
 395 the amounts that may be collectable in increments through garnishment or other
 396 proceedings. Such list shall constitute a valid lien upon and claim of lien against the
 397 lottery winnings of any debtor named in such list. The list shall contain the names of the
 398 debtors, their social security numbers if available, and any other information which would
 399 assist the corporation in identifying the debtors named in the list.

400 (b) The corporation is authorized and directed to withhold any winnings subject to the lien
 401 created by this Code section and send notice to the winner by certified mail or statutory
 402 overnight delivery, return receipt requested, of such action and the reason the winnings
 403 were withheld. However, if the winner appears and claims winnings in person, the
 404 corporation shall notify the winner at that time by hand delivery of such action. If the
 405 debtor does not protest the withholding of such funds in writing within 30 days of such
 406 notice, the corporation shall pay the funds over to the state claimant agency or the local
 407 government clearing-house. If the debtor protests the withholding of such funds within 30
 408 days of such notice, the corporation shall file an action in interpleader in the superior court
 409 of the county in which the debtor resides, pay the disputed sum into the registry of the
 410 court, and give notice to the state claimant agency or local government clearing-house and
 411 debtor of the initiation of such action.

412 (c) The liens created by this Code section shall rank among themselves as follows:

413 (1) Taxes due the state;

414 (2) Delinquent child support; ~~and~~

415 (3) All other judgments and liens in order of the date entered or perfected; and
 416 (4) Debts owed to a local claimant agency collected through the local government
 417 clearing-house.

418 (d) The corporation shall not be required to deduct claimed debts from prizes paid out by
 419 retailers or entities other than the corporation.

420 (e) Any list of debt provided pursuant to this article shall be provided periodically as the
 421 corporation shall provide by rules and regulations and the corporation shall not be obligated
 422 to retain such lists or deduct debts appearing on such lists beyond the period determined
 423 by such rules and regulations.

424 (f) The corporation is authorized to prescribe forms and promulgate rules and regulations
 425 which it deems necessary to carry out the provisions of this article.

426 (g) The corporation and any state claimant agency, local claimant agency, or local
 427 government clearing-house shall incur no civil or criminal liability for good faith adherence
 428 to the provisions of this Code section.

429 (h) The state claimant agency or local government clearing-house shall pay the corporation
 430 for all costs incurred by the corporation in setting off debts in the manner provided in this
 431 article.

432 50-27-54.

433 (a) Notwithstanding Code Section 50-27-29, which prohibits disclosure by the corporation
 434 of the contents of prize winner records or information, and notwithstanding any other
 435 confidentiality statute, the corporation may provide to a state claimant agency or local
 436 government clearing-house all information necessary to accomplish and effectuate the
 437 intent of this article.

438 (b) The information obtained by a state claimant agency or local government
 439 clearing-house from the corporation in accordance with this article shall retain its
 440 confidentiality and shall only be used by a state claimant agency or local government
 441 clearing-house in the pursuit of its debt collection duties and practices. Any employee or
 442 prior employee of any state claimant agency or local government clearing-house who
 443 unlawfully discloses any such information for any other purpose, except as otherwise
 444 specifically authorized by law, shall be subject to the same penalties specified by law for
 445 unauthorized disclosure of confidential information by an agent or employee of the
 446 corporation.

447 50-27-55.

448 The provisions of this article shall ~~only~~ apply to prizes of ~~\$5,000.00~~ \$200.00 or more ~~and~~
 449 ~~shall not apply to any retailers authorized by the board to pay prizes of up to \$5,000.00~~

450 ~~after deducting the price of the ticket or share; excepting that a claim for delinquent child~~
451 ~~support filed by the Child Support Enforcement Agency of the Department of Human~~
452 ~~Services shall apply to all prizes of \$2,500.00 or more."~~

453 **SECTION 3.**

454 This Act shall become effective upon its approval by the Governor or upon its becoming law
455 without such approval.

456 **SECTION 4.**

457 All laws and parts of laws in conflict with this Act are repealed.