GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

SESSION LAW 2004-138
HOUSE BILL 1420

AN ACT TO EXTEND TO LOCAL GOVERNMENTS ACTING JOINTLY THE SAME SETOFF DEBT COLLECTION PROCEDURES CURRENTLY ALLOWED TO LOCAL GOVERNMENTS ACTING ALONE AND CONCERNING THE GLOBAL TRANSPARK AUTHORITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105A-2 reads as rewritten:

"**§ 105A-2. Definitions.**

The following definitions apply in this Chapter:

(1) Claimant agency. – Either of the following:
  a. A State agency.
  b. A local agency acting through a clearinghouse or an organization pursuant to G.S. 105A-3(b1).

(2) Debt. – Any of the following:
  a. A sum owed to a claimant agency that has accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for the sum.
  b. A sum a claimant agency is authorized or required by law to collect, such as child support payments collectible under Title IV, Part D of the Social Security Act.
  c. A sum owed as a result of an intentional program violation or a violation due to inadvertent household error under the Food Stamp Program enabled by Chapter 108A, Article 2, Part 5.
  d. Reserved for future codification purposes.
  e. A sum owed as a result of having obtained public assistance payments under any of the following programs through an intentional false statement, intentional misrepresentation, intentional failure to disclose a material fact, or inadvertent household error:
    1. The Work First Program provided in Article 2 of Chapter 108A of the General Statutes.
    2. The State-County Special Assistance for Adults Program enabled by Part 3 of Article 2 of Chapter 108A of the General Statutes.
    3. A successor program of one of these programs.

(3) Debtor. – An individual who owes a debt.

(4) Department. – The Department of Revenue.

(5) Reserved.

(6) Local agency. – Any of the following:
  a. A county, to the extent it is not considered a State agency.
  b. A municipality.
  c. A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.

d. A regional joint agency created by interlocal agreement under Article 20 of Chapter 160A of the General Statutes between two or more counties, cities, or both.

(7) Net proceeds collected. – Gross proceeds collected through setoff against a debtor's refund minus the collection assistance fees provided in G.S. 105A-13.

(8) Refund. – An individual's North Carolina income tax refund.

(9) State agency. – Any of the following:

a. A unit of the executive, legislative, or judicial branch of State government.

b. A ~~county,~~local agency, to the extent it administers a program supervised by the Department of Health and Human Services or it operates a Child Support Enforcement Program, enabled by Chapter 110, Article 9, and Title IV, Part D of the Social Security Act."

SECTION 1.1. Except after consultation with the Joint Legislative Commission on Governmental Operations on its intent to expend or obligate funds, the North Carolina Global TransPark Authority shall not expend or obligate any funds that were borrowed from the Escheat Fund pursuant to G.S. 63A-4(a)(22) and G.S. 147-69.2(b)(11), or any interest earned on those funds.

SECTION 2. Section 1 of this act becomes effective January 1, 2004, and applies to income tax refunds determined on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of July, 2004.

s/ Beverly E. Perdue
President of the Senate

s/ Richard T. Morgan
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 12:22 p.m. this 29th day of July, 2004