

State to Go After Debtors

With an estimated \$525 million in outstanding court debt, of which \$216 million is over four years old, Legislators created a new position assigned the task of collecting debt owed the state. The state debt coordinator will be part of the department of revenue and is expected to help collect \$5.6 million in fiscal year 2011 and \$4.46 million in fiscal year 2012. A consultant hired by the Governor last fall, however, suggested that over \$111 million could be collected.

Debt Amnesty Program

A Debt Amnesty Program is also created, running from September 1 through November 20, 2010. Under the program, up to 50% of debt to the state can be forgiven. Eligible debt means all delinquent court debt obligations, including interest and penalties, owed to the state. It does not include debt assessed less than four years prior, victim restitution, civil penalties assessed for drivers' license reinstatement, and jail fees.

County Treasurers to Collect Debt

Under current law, the county treasurer cannot issue vehicle registrations to vehicle owners who owe money to the state. An owner must leave, pay the debt, and then return to pay for the registration. Governor Culver also signed legislation that allows the county treasurer to collect money owed to the state. The vehicle owner may remit the entire amount, plus a processing fee of \$5. If the full payment is made, the county treasurer will then issue the vehicle registration. This change doesn't go into effect until January 1, 2011.