

CHAPTER 48
CENTRALIZED NON-TAX
DEBT COLLECTION RULES

Authority

N.J.S.A. 52:18-40 and 41.

Source and Effective Date

R.2009 d.246, effective August 3, 2009.
See: 41 N.J.R. 1981(a), 41 N.J.R. 2980(a).

Chapter Expiration Date

Chapter 48, Centralized Non-Tax Debt Collection Rules, expires on August 3, 2014.

Chapter Historical Note

Chapter 48, Centralized Non-Tax Debt Collection Rules, was adopted as new rules by R.2009 d.246, effective August 3, 2009. See: Source and Effective Date.

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SUBCHAPTER 1. CENTRALIZED NON-TAX DEBT
COLLECTION RULES

17:48-1.1 Definitions

The following words and terms, as used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Debtor” means any individual or business entity owing money to or having a delinquent account with any State department or agency, which obligation has not been adjudicated or satisfied by court order set aside by court order or discharged in bankruptcy.

“Debtor file” means the listing of all delinquent debts for which the State agency has exhausted its collections methods within the 90-day billing cycle. A minimum of \$25.00 for total debts per individual per State agency will be established. Accounts involving more than one debtor must be broken down individually and the debt allocated to each individual by a State agency. The list must be provided in an electronic format that is acceptable to the Division of Revenue.

“Delinquent debt” means a fee, fine, cost, penalty or assessment that has been due and owing a State department or

agency for 91 days or more. “Delinquent debt” does not include inter-agency debts and debts associated with loans, notes, grants, and contracts.

“Division” means the New Jersey Division of Revenue, Department of the Treasury.

“State department or agency” means all executive branch departments or agencies, but does not include an independent authority or instrumentality that is independent of the operational and budgetary control of the department to which it is allocated.

17:48-1.2 Collection actions to be taken by agencies

(a) Agencies shall make every effort to collect amounts due associated with fines, fees, penalties and other assessments (non-tax debt). At a minimum, the following steps must be taken:

1. Agencies shall develop and establish written procedures and guidelines to be followed by all staff assigned to the debt collection function; and
2. Within 90 days of an amount becoming due and owing, agencies shall attempt to collect by taking, at a minimum, the following steps:
 - i. Issue and send an initial bill (invoice) by regular mail or electronic means if available;
 - ii. If the amount is not paid after 30 days, send a written reminder letter via regular and/or certified mail; and
 - iii. If the amount is not paid after 60 days, send a second reminder letter via regular and/or certified mail.

17:48-1.3 Mandatory transfer of non-tax debt to the Division

(a) If an agency is unable to collect a debt within 90 days, the debtor file shall be transferred to the Division in an electronic format on the 91st day for further collection efforts. The Division will specify what constitutes an acceptable electronic format.

(b) At a minimum, the debt files must include the data fields below pertaining to the debtor (either individual or business). The Division will specify the format for the data fields and the medium to be used to transfer the data.

1. Debtor name (first, middle initial, last, designations if applicable) or company name and contact person;
2. Home or company address;
3. Home or company/contact telephone number;
4. Social Security number or Federal identification number;

5. Nature of debt;
6. Date of debt;
7. Original amount of debt;
8. Payment(s) amount(s);
9. Payment(s) date(s); and
10. Balance due.

17:48-1.4 Exceptions to the mandatory transfer rule

(a) If a debt has reached the 90-day cutoff point, but has been submitted by the agency for litigation, the account shall not be submitted to the Division until such litigation has been concluded and the debt remains due and owing. If the debt remains unpaid for 90 days after an agreed upon court order for payment, the debt shall be referred to the Division in accordance with the rules set forth in N.J.A.C. 17:48-1.3.

(b) If a State agency submits a debt for judgment sometime during the 90-day collection period, the agency will submit the debt no later than 20 days after the judgment has been obtained from the courts.

17:48-1.5 Annual certified non-tax debt inventory report and report to the Governor and Legislature

(a) The chief administrative officer of each agency, or his or her designee, must submit a certified report of the agency's

non-tax debt inventory within 45 days following the conclusion of each fiscal year, in a format provided by the Division. At a minimum, the report shall include the following information:

1. The amount of total debt owed to the General Fund;
2. The amount of debt owed to the General Fund submitted to the Division;
3. The amount of total debt owed to non-State sources;
4. The amount of debt owed to non-State sources submitted to the Division;
5. The amount of total debt outstanding; and
6. The amount of total debt outstanding not submitted to the Division.

(b) Within 90 days following the conclusion of each fiscal year, the Division shall submit to the Governor and the Legislature a cumulative report reflecting the inventory information supplied by each agency. In the report, the Division shall also indicate which agencies, if any, have failed to comply with requirements of this chapter and N.J.S.A. 52:18-40.