

HOUSE BILL 104

P3

71r0078

By: **Chair, Appropriations Committee (By Request – Departmental – Budget and Management)**

Introduced and read first time: January 16, 2017

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Central Collection Unit – Collection of Debt – Liens**

3 FOR the purpose of authorizing the Central Collection Unit to file a notice of lien for the
4 collection of certain State debt, interest, fees, or penalties due from a debtor;
5 requiring the Department of Budget and Management to establish by regulation
6 certain categories of debt for which a notice of lien may be filed; requiring the Central
7 Collection Unit to provide a debtor with written notice that contains certain
8 information before a notice of lien is filed; authorizing a debtor to request an
9 investigation of the debt within a certain period of time and requiring the Central
10 Collection Unit to investigate if requested; requiring the Central Collection Unit to
11 make a written determination within a certain period of time; requiring the written
12 determination to advise a debtor of the right to appeal; prohibiting a notice of lien
13 from being filed until a final decision is made on an appeal; and generally relating to
14 the collection of State debt by the Central Collection Unit.

15 BY adding to

16 Article – State Finance and Procurement
17 Section 3–308
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2016 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – State Finance and Procurement**

23 **3–308.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) (1) IN ADDITION TO THE AUTHORITY PROVIDED UNDER THIS**
2 **SUBTITLE, THE CENTRAL COLLECTION UNIT MAY FILE A NOTICE OF LIEN WITH THE**
3 **CLERK OF THE CIRCUIT COURT FOR THE COUNTY WHERE THE PROPERTY OF A**
4 **DEBTOR IS LOCATED.**

5 **(2) THE CENTRAL COLLECTION UNIT SHALL SEND A COPY OF THE**
6 **NOTICE OF LIEN TO THE DEBTOR.**

7 **(B) THE DEPARTMENT SHALL ESTABLISH BY REGULATION THOSE CLASSES**
8 **OR CATEGORIES OF DEBTS, INCLUDING ANY MINIMUM DEBT AMOUNT, FOR WHICH**
9 **THE CENTRAL COLLECTION UNIT MAY FILE A NOTICE OF LIEN.**

10 **(C) THE AMOUNT, INCLUDING ANY INTEREST, COLLECTION FEE, OR**
11 **PENALTY CHARGE, DUE TO THE CENTRAL COLLECTION UNIT FROM A DEBTOR, AS**
12 **OF THE TIME THE NOTICE OF LIEN IS FILED:**

13 **(1) IS A LIEN ON THE PROPERTY OF THE DEBTOR; AND**

14 **(2) HAS THE SAME EFFECT AS A JUDGMENT LIEN.**

15 **(D) (1) AT LEAST 30 CALENDAR DAYS BEFORE FILING A NOTICE OF LIEN,**
16 **THE CENTRAL COLLECTION UNIT SHALL NOTIFY THE DEBTOR IN WRITING THAT IT**
17 **INTENDS TO FILE A NOTICE OF LIEN.**

18 **(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**
19 **SUBSECTION SHALL ADVISE THE DEBTOR OF:**

20 **(I) THE AMOUNT DUE AND OWING;**

21 **(II) THE BASIS OF THE DEBT;**

22 **(III) THE OPPORTUNITY TO REQUEST AN INVESTIGATION OF THE**
23 **DEBT IN ACCORDANCE WITH SUBSECTION (E) OF THIS SECTION; AND**

24 **(IV) AFTER AN INVESTIGATION, THE RIGHT TO CONTEST ANY**
25 **ADVERSE DETERMINATION IN A HEARING BEFORE THE OFFICE OF ADMINISTRATIVE**
26 **HEARINGS IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE**
27 **GOVERNMENT ARTICLE.**

28 **(E) WITHIN 30 DAYS AFTER THE DATE OF NOTIFICATION FROM THE**
29 **CENTRAL COLLECTION UNIT UNDER SUBSECTION (D) OF THIS SECTION, A DEBTOR**
30 **MAY REQUEST IN WRITING THAT THE CENTRAL COLLECTION UNIT INVESTIGATE A**
31 **DEBT.**

1 **(F) (1) ON RECEIPT OF A WRITTEN REQUEST FOR AN INVESTIGATION,**
2 **THE CENTRAL COLLECTION UNIT SHALL INVESTIGATE ANY DISPUTED DEBT WITH**
3 **THE STATE AGENCY THAT REFERRED THE DEBT.**

4 **(2) THE CENTRAL COLLECTION UNIT SHALL MAKE A WRITTEN**
5 **DETERMINATION WITHIN 15 CALENDAR DAYS AFTER IT RECEIVES A WRITTEN**
6 **REQUEST FOR INVESTIGATION FROM THE DEBTOR.**

7 **(3) IF THE CENTRAL COLLECTION UNIT DETERMINES THAT A DEBT**
8 **REFERRED TO THE CENTRAL COLLECTION UNIT IS IN ERROR, IT SHALL:**

9 **(I) CORRECT ANY ERROR PERTAINING TO THE DEBT**
10 **REFERRED; OR**

11 **(II) DISCONTINUE FILING A NOTICE OF LIEN.**

12 **(G) (1) THE WRITTEN DETERMINATION ISSUED BY THE CENTRAL**
13 **COLLECTION UNIT UNDER SUBSECTION (F) OF THIS SECTION SHALL ADVISE THE**
14 **DEBTOR OF THE RIGHT TO APPEAL AN ADVERSE DECISION TO THE OFFICE OF**
15 **ADMINISTRATIVE HEARINGS WITHIN 30 CALENDAR DAYS OF THE DATE OF THE**
16 **WRITTEN DETERMINATION OF THE CENTRAL COLLECTION UNIT, IN ACCORDANCE**
17 **WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.**

18 **(2) IF A TIMELY APPEAL TO THE OFFICE OF ADMINISTRATIVE**
19 **HEARINGS IS FILED, THE CENTRAL COLLECTION UNIT MAY NOT FILE A NOTICE OF**
20 **LIEN THAT IS THE SUBJECT OF THE APPEAL UNTIL AFTER A FINAL DECISION IS**
21 **ISSUED BY THE OFFICE OF ADMINISTRATIVE HEARINGS.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2017.