

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH50310-LC-183 (02/24)**

Short Title: Regional Agency Debt Setoff. (Public)

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Sponsors: Representative LaRoque.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO EXTEND TO LOCAL GOVERNMENTS ACTING JOINTLY THE  
SAME SETOFF DEBT COLLECTION PROCEDURES CURRENTLY  
ALLOWED TO LOCAL GOVERNMENTS ACTING ALONE.

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,

1 intentional failure to disclose a material fact, or inadvertent  
2 household error:

- 3 1. The Work First Program provided in Article 2 of Chapter  
4 108A of the General Statutes.
- 5 2. The State-County Special Assistance for Adults Program  
6 enabled by Part 3 of Article 2 of Chapter 108A of the  
7 General Statutes.
- 8 3. A successor program of one of these programs.

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

10 (4) Department. – The Department of Revenue.

11 (5) Reserved.

12 (6) Local agency. – Any of the following:

13 a. A county, to the extent it is not considered a State agency.

14 b. A municipality.

15 c. A water and sewer authority created under Article 1 of Chapter  
16 162A of the General Statutes.

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

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

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

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

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

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

32 **SECTION 2.** This act becomes effective January 1, 2004, and applies to  
33 income tax refunds determined on or after that date.