**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑56‑130 SO AS TO PROVIDE THAT A MUNICIPAL COURT MUST UTILIZE THE SETOFF DEBT COLLECTION ACT ON DEBTS DUE AND OWING FOR OVER A YEAR, TO PROVIDE THAT IF SETOFF IS NOT SUCCESSFUL IN THE FIRST TAXABLE YEAR, THE DEPARTMENT OF REVENUE SHALL NOTIFY THE APPROPRIATE CIRCUIT SOLICITOR TO ATTEMPT TO COLLECT THE DEBT, TO PROVIDE ADMINISTRATIVE FEES ASSOCIATED WITH THE SETOFF, AND TO PROVIDE THAT THE DEPARTMENT OF REVENUE MUST KEEP A DIGITAL RECORD OF DEBTS SUBMITTED FOR SETOFF BY A MUNICIPAL COURT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 56, Title 12 of the 1976 Code is amended by adding:

“Section 12‑56‑130. (A) Notwithstanding any other provision of this chapter, a municipal court must utilize the provisions of this chapter for any delinquent debt due and owing to the municipal court for more than one year. In addition to any other administrative fee, to recover costs incurred by the municipal court for submitting a debt pursuant to this chapter and Section 12‑4‑580 to the department for collection, the municipal court may charge an administrative fee, not to exceed twenty‑five dollars, that must be added to the debt.

(B)(1) If the department is unable to completely setoff the delinquent debt submitted pursuant to subsection (A) in the first taxable year the setoff is available, the department shall notify the appropriate circuit solicitor of the delinquent debt due and owing. The circuit solicitor must attempt to collect the delinquent debt. In addition to any other administrative fee, to recover costs incurred by the solicitor for attempting to collect the debt, the solicitor may charge an administrative fee, not to exceed one hundred twenty‑five dollars, that must be added to the debt.

(2) The solicitor may hire a licensed collection agency to collect the delinquent debt. The collection agency must remit all collected monies to the solicitor no later than five business days from day of the debtor’s payment. The solicitor’s office may retain the administrative fee for collection expenses allowed pursuant to item (1). The solicitor is authorized to securitize the department delivered delinquent debt and administrative fees.

(C) The department must maintain a digital record of any debt submitted for setoff pursuant to subsection (A).”

SECTION 2. This act takes effect upon approval by the Governor.

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