



2025-2026 General Assembly

HOUSE BILL 549: Clarify Powers of State Auditor, Part III: Department of Revenue Authorization to Force Collect Debts

Analysis of: S.L. 2025-83, Part III

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Prepared by: Legislative Analysis
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Part III of S.L. 2025-83 (House Bill 549) authorizes the Department of Revenue to collect certain debts owed to State agencies that are uncovered through an audit by the Office of the State Auditor and are the result of fraud, misrepresentation, or other deceptive acts or practices by a private person or entity while doing business with a State agency through a new "forced collection" process. The forced collection process authorized by Part III of the act is in addition to the current debt setoff process allowing tax refunds to be applied to the debt and other remedies available by law. A debt subject to forced collection may be recovered through levy and sale or attachment and garnishment in the same manner as a debt for nonpayment of taxes. A debtor is allowed to contest the validity of the debt by filing a notice of hearing with the Auditor. A debtor is allowed to appeal to the General Court of Justice a final decision made after an administrative hearing with the Auditor.

This bill was vetoed by the Governor on July 2, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This Part becomes effective December 1, 2025.

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