

## **Talking Points for Board Consideration of Participation in UTRECS Debt Offset Program**

- UAC's UTRECS debt setoff clearinghouse program allows political subdivisions to easily and efficiently collect delinquent debt through the withholding of a debtor's personal income tax refunds
- Utah Code 63A-3-301 et seq. (the "Statute"), establishes the state's setoff program and authorizes state agencies, political subdivisions, and local agencies.
- While Utah state agencies and local governments have been using debt setoff for years to collect their debts, the clearinghouse concept significantly reduces staff time needed to match debtors with social security numbers and to format debt data to meet state requirements
- There is no cost to register or participate -- the participating political subdivision imposes a \$25 local collection assistance fee on the debtor which is collected as a part of each successful offset or acceptance of a full walk-in repayment post clearinghouse submission.
- Participating political subdivisions will receive analysis reports on debts owed to the entity and on the amounts of monies returned
- Tax equity is ensured as more citizens are paying their fair share for services
- UTRECS is favorable to the debtor
  - Lowered credit-rating impacts
  - Receives required pre-intercept notification letters and is allowed 21-day resolution period
    - The pre-intercept notification letter itself often prompts debtors to pay
- Participating political subdivisions may realize significant revenue just from pre-intercept notice letters before setoffs have occurred
  - Of the 15,000, letters mailed to Marion County, IN debtors, \$2.5 Million in debt was repaid
- UTRECS provides easy and free method for collecting small debts of as little as \$20 or less if it can be combined with other debts to meet the \$20 threshold
- Participants may also realize a side benefit of significant records clean-up in collaboration with the county assessor's office or other collections and recorder offices
- UTRECS enables standardized administration through easy download of debt files and upload of debt reconciliation data files that integrate into currently utilized systems
- IT Helpline and clearinghouse house staff are easily accessible and available for questions and assistance