

requirements, but have the effect of establishing new compliance requirements, as described in the Summary above.

No differentiation in compliance requirements is provided based on business size. The requirements of and the goals to be achieved by the Federal and State laws in question do not vary based on business size of a carrier, and the SEH Board would not be at liberty to make such a distinction, even if the SEH Board were to consider such a distinction warranted. Accordingly, the proposed amendments provide no differentiation in compliance requirements based on business size. No additional professional services would have to be employed in order to comply with the proposed amendments.

The SEH Board notes that compliance with the new mandates, and, thus, implementation of the proposed amendments, can be achieved using current technology.

**Housing Affordability Impact Analysis**

The SEH Board does not believe the proposed amendments will have an impact on housing affordability in this State or evoke a change in the average costs of housing in this State in that the proposed amendments relate to the terms of standard health benefits plans offered in New Jersey.

**Smart Growth Development Impact Analysis**

The SEH Board does not believe the proposed amendments will have an impact on smart growth in the State, or that the proposed amendments will have an effect on smart growth development in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments relate to the terms of standard health benefits plans offered in New Jersey.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The SEH Board has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the proposal follows:

**OFFICE OF ADMINISTRATIVE LAW NOTE:** The New Jersey Small Employer Health Benefits Program Board is proposing amendments at N.J.A.C. 11:21 Appendix Exhibits F, G, W, and Y. Pursuant to N.J.S.A. 52:14B-7(c) and N.J.A.C. 1:30-5.2(a)2, the Exhibits, as proposed, are not published herein, but may be reviewed by contacting:

New Jersey Small Employer Health Benefits Program  
 20 West State Street, 11th Floor  
 PO Box 325  
 Trenton, NJ 08625-0325  
[ihsehprograms@dobi.nj.gov](mailto:ihsehprograms@dobi.nj.gov)  
 or  
 New Jersey Office of Administrative Law  
 9 Quakerbridge Plaza  
 PO Box 049  
 Trenton, NJ 08625-0049  
[oal.comments@oal.nj.gov](mailto:oal.comments@oal.nj.gov)

**TREASURY—GENERAL**

(a)

**DIVISION OF REVENUE AND ENTERPRISE SERVICES**

**Centralized Non-Tax Debt Collection**

**Proposed New Rules: N.J.A.C. 17:48**

Authorized By: Elizabeth Maher Muoio, State Treasurer.  
 Authority: N.J.S.A. 52:18-36 through 41 and 2A:16-11.1.  
 Calendar Reference: See Summary below for explanation of exception to calendar requirement.  
 Proposal Number: PRN 2024-002.

Submit comments by March 2, 2024, to:

Peter Lowicki, Deputy Director  
 New Jersey Division of Revenue and Enterprise Services  
 PO Box 308  
 33 West State Street, 5th Floor  
 Trenton, NJ 08646  
 Attn: Non-Tax Debt Collection  
 Fax: 609-984-6832  
[peter.lowicki@treas.nj.gov](mailto:peter.lowicki@treas.nj.gov)

The agency proposal follows:

**Summary**

The Department of the Treasury proposes new rules at N.J.A.C. 17:48. The proposed new rules are designed to implement the State statutes governing the collection of delinquent non-tax debt in a uniform fashion, through the Division of Revenue and Enterprise Services (Division). Delinquent non-tax debt is defined as a fee, fine, cost, penalty, or assessment that has been due and owing a State department or agency for 91 days or more. Delinquent debt does not include inter-agency debts or debts associated with loans, notes, grants, or contracts.

Pursuant to the centralized program, executive branch agencies are required to collect amounts due from fees, fines, penalties, costs, or other assessments. If an agency is unable to collect a debt within 90 days, it must transfer the debtor file to the Division in an electronic format on the 91st day for further collection efforts. In addition, each fiscal year, the Division must submit, to the Governor and the Legislature, a cumulative report reflecting the non-tax debt inventory information supplied by each agency.

A summary of the proposed new rules follows.

Proposed new N.J.A.C. 17:48-1.1 sets forth definitions of key terms in the proposed new rules, including the most important terms—“debt,” “debt file,” and “State department or agency.” The term “debt” is drawn from the statutory definition found at N.J.S.A. 2A:16-11. In turn, “debt file” is based on, and operationalizes, the department/agency inventory report requirement set forth at N.J.S.A. 52:18-40.3.b. “State department or agency” provides clarity with respect to which public entities are subject to the mandatory provisions of the non-tax debt collection program. The section also defines the terms “delinquent debt” and “Division.”

Proposed new N.J.A.C. 17:48-1.2 sets forth the actions that all executive branch departments or agencies must take to collect amounts due from fines, fees, penalties, and other assessments (non-tax debt) prior to the transfer of non-tax debt cases to the centralized program through the Division. Collectively, the actions constitute normal due diligence in agency billing/collection operations.

The actions include developing and establishing written procedures and guidelines to be followed by all staff assigned to the debt collection function, as well as attempting to collect by taking, at a minimum, the following steps: prepare and issue an initial bill (invoice) by regular mail or electronic means if available; if the amount is not paid after 30 days, send a written reminder letter through regular and/or certified mail, supplemented by an electronic communication, if available; and, if the amount is not paid after 60 days, send a second reminder letter through regular and/or certified mail.

Proposed new N.J.A.C. 17:48-1.3 sets forth the requirement for executive branch departments and agencies to transfer non-tax debt cases to the Division if they are unable to collect the amounts due after 90 days. N.J.S.A. 52:18-40.3.a and b establish the requirement to promulgate rules in this area. Accordingly, the proposed new rules specify the timeframe for transferring debt cases and the informational content for transferred cases.

Proposed new N.J.A.C. 17:48-1.4 sets forth exception to the 90-day transfer rule set forth at N.J.A.C. 17:48-1.3. If a debt has reached the 90-day cutoff point, but has been submitted by the agency for litigation, the account shall not be submitted to the Division until such litigation has been concluded and the debt remains due and owing. If the debt remains unpaid for 90 days after an agreed upon court order for payment, the debt then must be transferred to the Division.

Proposed new N.J.A.C. 17:48-1.5 states the requirements for the chief administrative officer of each agency, or his or her designee, to submit, to

the Division, a certified report of the agency’s non-tax debt inventory within 45 days following the conclusion of each fiscal year. The subchapter also sets forth the requirement for the Division to submit an annual report to the Governor and the Legislature, a cumulative report reflecting the inventory information supplied by each agency and lists the required report elements.

As the Division has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C. 1:30-3.3(a)5.

**Social Impact**

The proposed new rules specify a process for enhanced collection of non-tax debt amounts due and owing to State government. Therefore, they foster greater compliance and accountability among State executive branch departments and agencies with regard to non-tax debt collection activities. Greater compliance and accountability help to improve governmental fairness, equity, and transparency, which are key societal benefits.

**Economic Impact**

The centralized non-tax program increases the collection of non-tax debt. Increased collections reinforce departmental and agency budgets by helping to off-set agency expenses. Therefore, by helping to keep the cost of government down, through the proposed new rules, the program delivers economic benefits to New Jersey and indirectly eases the tax burdens of individuals and businesses in this State.

**Federal Standards Statement**

A Federal standards analysis is not required because the proposed new rules relate strictly to the State of New Jersey and its non-tax debt collection program. The proposed new rules are, therefore, independent from any Federal systems or requirements.

**Jobs Impact**

The proposed new rules will not result in the creation or loss of jobs.

**Agricultural Industry Impact**

As the proposed rules relate strictly to the non-tax debt collection program, they will not have an impact on the agricultural industry.

**Regulatory Flexibility Statement**

The proposed new rules apply only to the non-tax debt collection operations of executive branch departments and agencies and are the minimum necessary for the maintenance of a comprehensive, workable, and transparent centralized non-tax debt collection program. Therefore, the proposed new rules impose no administrative requirements on small businesses, as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

**Housing Affordability Impact Analysis**

The proposed new rules will not have an impact on housing affordability or on the average costs associated with housing in the State, as they relate strictly to the State of New Jersey and its non-tax debt collection program.

**Smart Growth Development Impact Analysis**

As the proposed new rules relate strictly to the State of New Jersey and its non-tax debt collection program, they will not cause a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The proposed new rules apply only to the non-tax debt collection operations of executive branch departments and agencies. They will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Therefore, no further analysis is required.

**Full text** of the proposed new rules follows:

CHAPTER 48

CENTRALIZED NON-TAX DEBT COLLECTION

SUBCHAPTER 1. CENTRALIZED NON-TAX DEBT COLLECTION RULES

17:48-1.1 Definitions

The following words and terms, as used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Debtor” means any individual or business entity owing money to or having a delinquent account with any State department or agency, which obligation has not been determined to be satisfied by court order, set aside by court order, or discharged in bankruptcy.

“Debtor file” means the listing of any delinquent debts for which the State department or agency has exhausted its collections methods within the 90-day billing cycle and shall include all information set forth at N.J.A.C. 17:48-1.3. There is a minimum \$25.00 for total debts per individual for each State department or agency to qualify for placement in the debtor file. Accounts involving more than one debtor must be broken down individually and the debt allocated to each individual by a State department or agency. The list must be provided in an electronic format that is acceptable to the Division.

“Delinquent debt” means a fee, fine, cost, penalty, or assessment that has been due and owing a State department or agency for 91 days or more. “Delinquent debt” does not include inter-agency debts and debts associated with loans, notes, grants, contracts, and tax debts.

“Division” means the New Jersey Division of Revenue and Enterprise Services, Department of the Treasury, designated as the State government’s centralized debt management agency.

“State department or agency” means all executive branch departments or agencies, but does not include an independent authority or instrumentality that is independent of the operational and budgetary control of the department or agency to which it is allocated.

17:48-1.2 Collection actions to be taken by agencies

(a) Agencies shall make every effort to collect amounts due associated with fines, fees, penalties, and other assessments (non-tax debt). At a minimum, the following steps must be taken:

1. Agencies shall develop and establish written procedures and guidelines to be followed by all staff assigned to the debt collection function; and

2. Within 90 days of an amount becoming due and owing, unless a State department’s or agency’s statutory authority requires another method, agencies shall attempt to collect by taking, at a minimum, the following steps:

i. Prepare and issue an initial bill (invoice) by regular mail or electronic means, if available;

ii. If the amount is not paid after 30 days, send a written reminder letter through regular and/or certified mail, supplemented by an electronic communication, if available; and

iii. If the amount is not paid after 60 days, send a second reminder letter through regular and/or certified mail.

17:48-1.3 Mandatory transfer of non-tax debt to the Division

(a) If an agency is unable to collect a debt within 90 days, the debtor file shall be transferred to the Division in an electronic format, such as spreadsheets or text files, on the 91st day for further collection efforts. The Division will specify what constitutes an acceptable electronic format. Any funds collected by Division or its agents shall be credited to the appropriate account.

(b) At a minimum, the debtor files must include the data fields below pertaining to the debtor (either individual or business). The Division will specify the format (for example, lengths and field types, such as character or numeric) for the data fields and the medium (for example, direct file transfer or disk-based transfer) to be used to transfer the data.

1. Debtor name (first, middle initial, last, designations, if applicable) or company name and contact person;
2. Home or company address;
3. Home or company/contact telephone number;

- 4. Social Security number or Federal employer identification number (EIN or FEIN);
- 5. Nature of debt;
- 6. Date(s) of debt;
- 7. Original amount of debt;
- 8. Payment(s) amount(s);
- 9. Payment(s) date(s); and
- 10. Balance due.

(c) In addition to the baseline elements listed at (b) above, the Division may request the following additional information:

- 1. Contact dates pursuant to N.J.A.C. 17:48-1.2(a)2;
- 2. Whether debt may be compromised (yes/no);
- 3. Statute of limitations date for debt (if any);
- 4. Whether debt involves, or is supported with, confidential information (yes/no);
- 5. Basis for confidentiality pursuant to (c)4 above, if applicable (State or Federal law and/or rule);
- 6. Any additional information needed to collect or defend the debt (narrative-text field);
- 7. Any properties or bank accounts owned by the debtor;
- 8. Name and address of debtor’s employer; and
- 9. Whether any information provided (address, phone number) are incorrect—for example, a bad address (bad data flag appended to applicable fields).

17:48-1.4 Exceptions to the mandatory transfer rule

(a) If a debt has reached the 90-day billing cycle but has been submitted by the agency for litigation or if a debtor initiates litigation, the account shall not be submitted to the Division until such litigation has been

concluded and the debt remains due and owing. If the debt remains unpaid for 90 days after an agreed upon court order for payment, the debt shall be referred to the Division in accordance with the rules set forth at N.J.A.C. 17:48-1.3.

(b) If a State department or agency submits a debt for judgment during the 90-day collection period, the agency will submit the debt no later than 20 days after the judgment has been filed and docketed by the Superior Court and a docketed judgment number obtained.

17:48-1.5 Annual certified non-tax debt inventory report and report to the Governor and Legislature

(a) The chief administrative officer of each agency, or their designee, must submit a certified report of the agency’s non-tax debt inventory within 45 days following the conclusion of each fiscal year, in a format provided by the Division. At a minimum, the report shall include:

- 1. Total debt owed to the department or agency;
- 2. Debt owed but not collected within 90 days of recording of the delinquency;
- 3. The amount of that delinquent debt not transferred to the Division; and
- 4. The amount of the debt determined to be owed to the department or agency during the last 90 days of the fiscal year.

(b) Within 90 days following the conclusion of each fiscal year, the Division shall submit to the Governor and the Legislature a cumulative report. The report must include amounts paid to the State, as well as any other information required at N.J.S.A. 52:18-41. In the report, the Division shall also indicate which agencies, if any, have failed to comply with requirements of this chapter and N.J.S.A. 52:18-40.