

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1227  
Second Edition Engrossed 7/7/89

Short Title: Assistance Fraud Debt Set-off.

(Public)

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Sponsors: Senator Allran.

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Referred to: Finance.

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May 8, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE PROCEDURES FOR SETTING OFF AGAINST A  
3 DEBTOR'S STATE TAX REFUND AMOUNTS OWED BECAUSE THE  
4 DEBTOR FRAUDULENTLY OBTAINED PUBLIC ASSISTANCE.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105A-2(1) reads as rewritten:

7 "(1) 'Claimant agency' means and includes:

- 8 a. The State Education Assistance Authority as enabled by Article  
9 23 of Chapter 116 of the General Statutes;
- 10 b. The North Carolina Department of Human Resources when in  
11 the exercise of its authority to collect health profession student  
12 loans made pursuant to G.S. 131-121;
- 13 c. The North Carolina Department of Human Resources when in  
14 the performance of its duties under the Medical Assistance  
15 Program enabled by Chapter 108A, Article 2, Part 6, and any  
16 county operating the same Program at the local level, when and  
17 only to the extent such a county is in the performance of  
18 Medical Assistance Program collection functions;
- 19 d. The North Carolina Department of Human Resources when in  
20 the performance of its duties, under the Child Support  
21 Enforcement Program as enabled by Chapter 110, Article 9 and  
22 Title IV, Part D of the Social Security Act to obtain  
23 indemnification for past paid public assistance or to collect

- 1 child support arrearages owed to an individual receiving  
2 program services and any county operating the program at the  
3 local level, when and only to the extent that the county is  
4 engaged in the performance of those same duties.
- 5 e. The University of North Carolina, including its constituent  
6 institutions as specified by G.S. 116-2(4);
- 7 f. The North Carolina Memorial Hospital in the conduct of its  
8 financial affairs and operations pursuant to G.S. 116-37;
- 9 g. The Board of Governors of the University of North Carolina  
10 and the State Board of Education through the College  
11 Scholarship Loan Committee when in the performance of its  
12 duties of administering the Scholarship Loan Fund for  
13 Prospective College Teachers enabled by Chapter 116, Article  
14 5;
- 15 h. The Office of the North Carolina Attorney General on behalf of  
16 any State agency when the claim has been reduced to a  
17 judgment;
- 18 i. The State Board of Community Colleges through community  
19 colleges as enabled by Chapter 115D in the conduct of their  
20 financial affairs and operations;
- 21 j. State facilities as listed in G.S. 122C-181(a), School for the  
22 Deaf at Morganton, North Carolina Sanatorium at McCain,  
23 Western Carolina Sanatorium at Black Mountain, Eastern North  
24 Carolina Sanatorium at Wilson, and Gravelly Sanatorium at  
25 Chapel Hill under Chapter 143, Article 7; Governor Morehead  
26 School under Chapter 115, Article 40; Central North Carolina  
27 School for the Deaf under Chapter 115, Article 41; Wright  
28 School for Treatment and Education of Emotionally Disturbed  
29 Children under Chapter ~~122, Article 12A;~~ 122C; and these same  
30 institutions by any other names by which they may be known in  
31 the future;
- 32 k. The North Carolina Department of Revenue;
- 33 l. The Administrative Office of the Courts;
- 34 m. The Division of Forest Resources of the Department of Natural  
35 Resources and Community Development;
- 36 n. The Administrator of the Teachers' and State Employees'  
37 Comprehensive Major Medical Plan, established in Article 3 of  
38 General Statutes Chapter 135;
- 39 o. The State Board of Education through the Superintendent of  
40 Public Instruction when in the performance of his duties of  
41 administering the Scholarship Loan Fund for Prospective  
42 Teachers enabled by Chapter 115C, Article 32A and the  
43 scholarship loan and grant programs enabled by Chapter 115C,  
44 Article 24C, Part 1.

- 1 p. The Board of Trustees of the Teachers' and State Employees'  
2 Retirement System and the Board of Trustees of the Local  
3 Governmental Employees' Retirement System in the  
4 performance of their duties pursuant to Chapters 120, 128, 135  
5 and 143 of the General Statutes.
- 6 q. The North Carolina Teaching Fellows Commission in the  
7 performance of its duties pursuant to Chapter 115C, Article  
8 24C, Part 2.
- 9 r. The North Carolina Department of Human Resources when in  
10 the performance of its intentional program violation collection  
11 duties under the Food Stamp Program enabled by Chapter  
12 108A, Article 2, Part 5, and any county operating the same  
13 Program at the local level, when and only to the extent such a  
14 county is in the performance of Food Stamp Program  
15 intentional program violation collection functions.  
16 The North Carolina Department of Human Resources when, in  
17 the performance of its duties under the Aid to Families with  
18 Dependent Children Program or the Aid to Families with  
19 Dependent Children - Emergency Assistance Program provided  
20 in Part 2 of Article 2 of Chapter 108A or under the State-  
21 County Special Assistance for Adults Program provided in Part  
22 3 of Article 2 of Chapter 108A, it seeks to collect public  
23 assistance payments obtained through an intentional false  
24 statement, intentional misrepresentation, or intentional failure to  
25 disclose a material fact."

26 Sec. 2. This act shall become effective January 1, 1990.