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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100 - 17700] (Division 4 added by Stats. 1945, Ch. 119.)

PART 2. STATE FUNDS [16300 - 16649.95] (Part 2 added by Stats. 1945, Ch. 120.)

CHAPTER 4.3. The Accounts Receivable Management Act [16580 - 16586] (Chapter 4.3 added by Stats. 1994, Ch. 1224, Sec. 1.)

16580. This chapter shall be known and may be cited as the Accounts Receivable Management Act.

(Added by Stats. 1994, Ch. 1224, Sec. 1. Effective January 1, 1995.)

16581. "Participant" for the purposes of this chapter means all state agencies, departments, and offices.

(Added by Stats. 1994, Ch. 1224, Sec. 1. Effective January 1, 1995.)

16582. Within the uniform state payroll system, the Controller may, for each participant, disregard errors of twenty-five dollars (\$25) or less in individual accounts receivable, if he or she has determined that time and expense will be saved in doing so.

(Added by Stats. 2004, Ch. 520, Sec. 6. Effective January 1, 2005.)

16583. (a) Each participant shall allocate collection resources based on giving highest priority to those accounts with the highest expected return.

(b) Each participant shall consult with the Franchise Tax Board or any other state agency that has successfully established an effective accounts receivable collection system.

(Added by Stats. 1994, Ch. 1224, Sec. 1. Effective January 1, 1995.)

16583.1. A participant may impose a reasonable fee, not to exceed the actual costs, to recover the participant's collection costs on a past due account.

(Added by Stats. 2009, 4th Ex. Sess., Ch. 23, Sec. 13. Effective July 28, 2009.)

16583.2. (a) A participant shall submit an annual report to the Controller of the participant's accounts receivables and discharged accounts.

(b) The Controller shall inform a participant, not less than 60 days before the annual report is required to be submitted to the Controller, of both of the following:

(1) The format for the annual report.

(2) The submission date for the annual report.

(Added by Stats. 2009, 4th Ex. Sess., Ch. 23, Sec. 14. Effective July 28, 2009.)

16584. (a) A participant may enter into a contract with a private debt collector or private person or entity for the assignment or sale of all or part of its accounts receivable, provided that the participant does all of the following:

(1) Determines the assignment or sale is likely to generate more net revenue or net value than equivalent state efforts.

(2) Determines the assignment or sale will not compromise future state revenue collections.

(3) Notifies the debtor in writing at the address of record that the alleged accounts receivable debt will be turned over for private collection unless the debt is paid, or appealed within a time period, as determined by the participant.

(b) No participant shall enter into a contract for the assignment or sale of any accounts receivable pursuant to subdivision (a) if the accounts receivable debt has been contested.

(c) Any contract entered into pursuant to this section is subject to Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code.

(Amended by Stats. 2007, Ch. 130, Sec. 118.5. Effective January 1, 2008.)

16585. (a) A city, county, or city and county may sell or transfer part or all of its accounts receivable to a private debt collector or private persons or entities, provided the city, county, or city and county notifies the debtor in writing at the address of record that the alleged accounts receivable debt will be turned over for private collection unless the debt is paid, or appealed within a time period, as determined by the city, county, or city and county providing the notice.

(b) No city, county, or city and county shall assign or sell any account receivable pursuant to subdivision (a) if the account receivable debt has been contested.

(Amended by Stats. 2006, Ch. 538, Sec. 274. Effective January 1, 2007.)

16586. Claims for reimbursement under Sections 11487 and 11487.5 of the Welfare and Institutions Code are not subject to this chapter.

(Added by Stats. 1994, Ch. 1224, Sec. 1. Effective January 1, 1995.)