

IN THE SUPREME COURT OF THE STATE OF ARIZONA

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In the Matter of: )  
)  
COLLECTION OF CERTIFICATION ) Administrative Order  
AND LICENSING DIVISION AND ) No. 2006 - 88  
COMMISSION ON JUDICIAL )  
CONDUCT DEBTS THROUGH THE )  
DEBT SET-OFF PROGRAM )  
\_\_\_\_\_)

The Administrative Office of the Courts' Certification and Licensing Division (CLD) and the Commission on Judicial Conduct (CJC) are seeking to collect on delinquent fines, fees, penalties, restitution and costs by utilizing the Debt Setoff Program (DSO) established in A.R.S. § 42-1122. The CLD and CJC are currently not participants of the DSO program and therefore require the establishment of procedures for dispute resolution.

Now, therefore, pursuant to Article VI, Section 3 of the Arizona Constitution:

IT IS ORDERED that the Certification and Licensing Division and the Commission on Judicial Conduct shall be established as participants in the Debt Setoff Program and the CLD and CJC shall adhere to the current DSO policies established in the Participant Agreement (copy attached).

IT IS FURTHER ORDERED that in addition to the policies established in the Participant's Agreement, the CLD and CJC will adhere to the following dispute resolution procedures:

1. If a debtor fails to pay a delinquent debt owed to the CLD or the CJC, the delinquent amount may be submitted to the Arizona Department of Revenue (DOR) for interception of state tax refunds or the Arizona State Lottery, pursuant to A.R.S. § 5-525, for interception of lottery winnings. The debtor will be notified by the DOR of the intent to intercept the debtor's state tax refund. The notice will include the debtor's right to request review of the debt within thirty days of the notice mailing date and inform the debtor that requests for review must raise an issue other than the validity of the debt. A request for review must be submitted to the Administrative Office of the Courts' Consolidated Collections Unit (CCU).
2. If a debtor requests a review, the CCU will conduct the review and notify the debtor of the decision in writing within thirty days. The CCU will also notify the CLD or CJC, as applicable, of the decision. The decision of the CCU is final.

3. If a debtor requests a review, the setoff procedures shall be stayed until the CCU decision has been rendered.

Dated this 6th day of October, 2006.

FOR THE COURT:

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RUTH V. MCGREGOR  
Chief Justice

**Debt Setoff Program  
Participation Agreement**

**CLAIMS SUBMISSION - 2007**

To assure compliance with ARS § 42-1122 participants in the Administrative Office of the Courts (AOC) Debt Setoff Program (DSO) agree to the following:

- A. The DSO staff will not manually enter, delete, reduce or increase (modify) claim amounts or a Social Security number (SSN) on behalf of the participant. It is agreed that the only time DSO staff will modify a claim amount is when it is necessary to apply a payment or clear a negative claim amount.
- B. The DSO staff is not liable for any fees or penalties if an interception occurs erroneously on a debtor or because of an incorrect SSN. All claims forwarded to the DOR from DSO staff are submitted and/or provided to the DSO staff by the participant. The participant will be responsible for any applicable DOR fees, penalties and interest.
- C. If for some unforeseeable reason, the participant is unable to submit or provide the DSO staff with an update to an existing claim and the DSO staff is requested to manually update the claim, the DSO staff will not be liable for applicable DOR fees, penalties and interest in the event of an erroneous interception. Updates to claims are the responsibility of the participant, not the DSO staff.
- D. Participants who do not use the Tax Intercept Program (TIP) software will submit new claims and updates (deletions, reductions and increases) to the DSO staff in a readable file format via FTP. If the DSO staff is unable to read or update their files from the data submitted and an erroneous interception occurs the participant will be responsible for any applicable DOR fees, penalties and interest. If the DSO staff determines a file is not in a readable file format, it will be returned and the participant is responsible for its correction.
- E. (1) Participants using the TIP software who are on the Arizona Judicial Information Network (AJIN) and whose claim information is not being automatically extracted from the courts AZTEC database are responsible for keeping their claims updated daily in TIP.  
(2) Participants using the TIP software who are on the AJIN network and whose claim information is being automatically extracted from the courts AZTEC database are responsible for keeping their AZTEC case, person and case balance information updated daily for cases where data for a TIP claim has been extracted from the case. If an erroneous interception occurs the participant will be responsible for the applicable DOR fees, penalties and interest.  
(3) Participants using the TIP software who are not on the AJIN network will submit new claims and updates (deletions, reductions and increases) to existing claims via FTP or e-mail. If an erroneous interception occurs the participant will be responsible for the applicable DOR fees, penalties and interest.  
(4) The participant is obligated to contact the DSO staff if the participant does not receive a pendout file (interceptions to be finalized) according to the scheduled day. It is the responsibility of the participant to follow the AOC/DOR weekly transmission schedule. The participant understands this schedule is a seasonal schedule and is subject to change without prior notification.\*
- F. The DSO staff reserves the right to change time-lines on an as needed basis, but will give as much notice as possible to the participant prior to any change.

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\* Seasonal transmission schedule is as follows: "Tax season" Jan. 1 – June 30, "Off season" July 1 – Dec 31 and is available at <http://supreme22/ctserv/caunit/dso.htm> or upon request.

- G. Participants may submit new claims throughout the year and are required to submit updates (deletions, reductions and increases) to existing claims in the TIP database. The DSO staff will not delete and/or modify any claim from previous years submissions without updates received from the participant and all claims will remain from year to year unless the participant is notified of a change by the DSO staff.
- H. The DSO staff requires a two-week (14-day) time period from the date updates are received to process internally and forward to the DOR. If an interception occurs within 14 days of reducing a claim to zero, the participant will still be responsible for applicable DOR fees, penalties and interest. If an interception has occurred after the two-week time period, the participant may dispute the fee, but the dispute must be in writing and substantial documentation must be provided to the DSO staff.
- I. When the DSO staff invoices the participant for payment of the DOR intercept fee(s), it is the responsibility of the participant to remit payment to the DSO staff UPON RECEIPT. A participant may dispute a fee, but the dispute must be in writing and substantial documentation must be provided to the DSO staff.
- J. As a courtesy to the participant, the DSO staff will e-mail a confirmation report to all participants who have submitted DB, CL or PN files for accuracy. The participant is obligated to report to the DSO staff any discrepancies upon receipt of the report, or if no report is received.
- K. In the event there is a delay in the DOR sending the DSO staff the interceptions to be finalized (30 - calendar days from the intercept create date) and the debtor pays off the balance of their claim upon receipt of the DOR notification letter, it is the participants responsibility to charge the debtor the applicable fee(s) when payment is rendered or certify the interception for the applicable fee(s).
- L. Interceptions must be reviewed for validity within 10 days of receipt and erroneous interceptions must be released immediately. The participants will be responsible for the applicable DOR fees, penalties and interest per ARS § 42-1122.O.
- M. The TIP software auto-releases valid or invalid interceptions on the 30<sup>th</sup> day if not finalized by the participant. The full available refund will be released to the debtor and any applicable DOR fees, penalties and interest incurred because an interception auto-released are the responsibility of the participant.
- N. Lottery participation is automatic. All claims in the TIP database will be flagged for Lottery interception. If a participant chooses not to participate in the Lottery, a request must be submitted in writing and attached to the annual participation agreement forms.

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Participant Name (Court/Agency Name)

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Primary Contact Signature Date

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Supervising Authority Signature Date

**Arizona Debt Setoff Program  
Notification of Claimant Participation**

**Claims Submission – 2007**

**Participant Name:** \_\_\_\_\_  
(Court/Agency Name)

**Data Transmission (Non-AJIN and/or Non-TIP participants only need to answer):**

Claims submitted to the DSO by way of: ( ) E-Mail ( ) FTP

**Street Address:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_  
**Mailing Address:** \_\_\_\_\_ **Zip Code:** \_\_\_\_\_

**Primary Contact:** (Main person processing claims)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone # (\_\_\_\_) \_\_\_\_\_ Fax # (\_\_\_\_) \_\_\_\_\_

**E-Mail Address:** (Claim files and correspondence for program will be sent to this e-mail address)

\_\_\_\_\_

**Backup Contact:** (Processes claims if primary contact is unavailable)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone # (\_\_\_\_) \_\_\_\_\_ Fax # (\_\_\_\_) \_\_\_\_\_

**E-Mail Address:** (Processes claims if primary contact is unavailable)

\_\_\_\_\_

**Program Coordinator/Director:** (Supervises primary and backup contacts and is able to approve invoices for payment)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone # (\_\_\_\_) \_\_\_\_\_ Fax # (\_\_\_\_) \_\_\_\_\_

Does agency collect for Adult Probation? Yes ( ) No ( ) Juvenile Probation? Yes ( ) No ( )

The Court/Agency name and phone number below will be printed on the interception notification letter the debtor receives from the DOR. Please provide the phone number you wish to have the debtor contact.

\_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Court/Agency Name Telephone Number the taxpayers can  
call if an interceptions occurs

**Please return both forms to:  
Administrative Office of the Courts  
Court Services Division  
Attn Debt Setoff Program  
1501 W Washington, Suite 103  
Phoenix AZ 85007**