

**§ 105A-8.1. Forced collection; prerequisite, State Auditor notice, State Auditor hearing, decision.**

(a) Prerequisite. – The Office of the State Auditor may not submit notice of final determination of a debt to the Department for forced collection under G.S. 105A-6.1(a) until the Auditor has finally determined the debt in accordance with this section. For purposes of this section, a "finally determined" debt shall mean a debt that (i) meets the requirements of G.S. 105A-6.1(c), (ii) for which the Auditor has given notice as required by subsection (b) of this section, and (iii) for which the debtor did not file a timely request for hearing under this section, or, for which the debtor did file a timely request for hearing but a decision made after hearing determined that a debtor owed a debt, in a sum certain, to a State agency, and all appellate relief afforded the debtor for purposes of finally determining the debt under this section has been exhausted.

(b) Notice. – The Office of the State Auditor must send written notice to a debtor that the Auditor intends to submit the debt owed by the debtor to the Department for forced collection. At a minimum, the notice must explain (i) the basis for the State's claim to the debt, (ii) the forced debt collection remedies allowed by this Chapter, (iii) that a collection assistance fee equal to three percent (3%) of the debt will be added to the debt if it is force collected, and (iv) that the debtor has the right to contest the matter by filing a request for hearing with the Auditor, stating the time limits and procedure for requesting the hearing, and by stating that failure to request a hearing within the required time may result in forced collection of the debt.

(c) Auditor Hearing. – A hearing on a contested claim of the State Auditor under this section must be conducted in accordance with Article 3 of Chapter 150B of the General Statutes. A request for a hearing must be filed within 30 days after the Auditor mails the debtor notice of the proposed forced collection. A request for a hearing is considered to be filed when it is delivered for mailing with postage prepaid and properly addressed. In a hearing under this section, an issue that has previously been litigated in a court proceeding cannot be considered. A final decision on a hearing under this section may be appealed in accordance with G.S. 105A-9.

(d) Decision. – A decision made after a hearing under this section must determine, at a minimum, (i) whether a debt is owed to the State agency, (ii) by whom the debt is owed, and (iii) the amount of the debt. (2025-83, s. 11(a).)