

**44.065 Reciprocal agreements to offset claim of any person against the Commonwealth to debt of that person owed to any federal, state, or local government.**

- (1) Notwithstanding any other provision of the Kentucky Revised Statutes, and pursuant to the provisions of 31 U.S.C. sec. 3716(b) and (h)(1), the Finance and Administration Cabinet, at the request of any executive, judicial, or legislative agency of the Commonwealth, may enter into a reciprocal agreement with the United States government to offset the claim of any person against the Commonwealth to any debt of that person owed to the United States government which has been certified by the United States government as final, due, and owing, with all appeals and legal actions having been waived or exhausted, and to offset any nontax claim of any person against the United States government to any liquidated debt of that person owed to the Commonwealth.
- (2) Notwithstanding any other provision of the Kentucky Revised Statutes, the Finance and Administration Cabinet, at the request of any executive, judicial, or legislative agency of the Commonwealth, may enter into a reciprocal agreement with any state, as defined in KRS 446.010(31), to offset the claim of any person against the Commonwealth to any debt of that person owed to any state which has certified the debt as final, due, and owing, with all appeals and legal actions having been waived or exhausted, and to offset any claim of any person against any state to any liquidated debt of that person owed to the Commonwealth.
- (3) In the case of multiple creditors who have certified liquidated debt against the same person on a claim against the Commonwealth, pursuant to this section and KRS 44.030, the debts of the Commonwealth, counties, cities, urban-county governments, consolidated local governments, and charter county governments shall be credited first in the priority established in KRS 44.030, and if there is any balance due the claimant after settling the whole demands of the Commonwealth, counties, cities, urban-county governments, consolidated local governments, and charter county governments, the balance shall be credited to the liquidated debts certified by the United States government and any other state, as defined in KRS 446.010(31), in the order that the claims were filed with the Treasury. If there is a balance due the claimant after satisfaction of all liquidated debts as itemized in this section or any court-ordered payments, the balance shall be paid to the claimant.

**Effective:** April 25, 2006

**History:** Created 2006 Ky. Acts ch. 252, Pt. XVI, sec. 2, effective April 25, 2006.

**Legislative Research Commission Note (4/25/2006).** This statute, as created by 2006 Ky. Acts ch. 252, Pt. XVI, sec. 2, contained internal references in subsections (2) and (3) to "KRS 446.010(30)." Under KRS 7.136(1)(e), these references have been changed in codification to "KRS 446.010(31)" by the Reviser of Statutes to reflect the insertion of a new subsection (24) in KRS 446.020 and the resulting renumbering of succeeding subsections in 2006 Ky. Acts ch. 149, sec. 237.