

	Agency-Wide Substantive Policy	ADEQ
	Collection of Interest on Unpaid Amount	Page 1 of 3
		Policy No. 0500.2023
		Effective: 9/1/2023

This Substantive Policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under Arizona Revised Statutes section 41-1033 for a review of the statement.

1.0 Purpose

Pursuant to A.R.S. § 41-1001(24), “substantive policy statement” means a written expression which informs the general public of an agency’s current approach to, or opinion of, the requirements of the federal or state constitution, federal or state statute, administrative rule or regulation, or final judgment of a court of competent jurisdiction, including, where appropriate, the agency's current practice, procedure or method of action based upon that approach or opinion. The clarification provided in this substantive policy statement has been determined by ADEQ to meet applicable state and federal law and, therefore, ADEQ provides this substantive policy to assist persons in interpreting rules pertinent to ADEQ. Notwithstanding this substantive policy statement, ADEQ may consider alternative approaches to comply with applicable law.

The purpose of this policy is to establish the agency-wide process for handling the billing and collection of interest on an Unpaid Amount due to ADEQ.

2.0 Definitions

Unpaid Amount

Payment, fee, self-reported fee, assessment, cost and penalty due to ADEQ. This includes but is not limited to: assessments for delinquent accounts, assessments for violation of environmental laws, audit assessments, interest, penalties, statutorily required fees, payment with non-sufficient funds (NSF), and NSF fees.

Demand Letter

Written demand for payoff of an Unpaid Amount.

3.0 Policy Statement

Where authorized, the rate of interest charged on the Unpaid Amount will be in accordance with A.R.S § 42-1123 and pursuant to the United States Internal Revenue

Code. The debtor will also be penalized with a onetime additional twenty five percent interest rate if nonpayment is due to willful neglect per A.R.S. § 49-113.

ADEQ program sections will work with the Accounts Receivable unit to assist with collections. This may mean issuing violations, or suspending or revoking permit approval if fees are not received, depending on the program regulations. Program sections will notify the Accounts Receivable unit of any actions which would affect the status of an account.

All customers will receive monthly statements. Customers who have balances due will have invoices mailed to them approximately thirty days prior to the due date. If payment is not received by the due date, the collection process will be initiated by the ADEQ Accounts Receivable unit. The collection process will include collection emails and/or phone calls to the debtor. If payment has not been received in ninety days, the debtor will be issued a Demand Letter. If payment is not received in fifteen days from the date of the Demand Letter being issued the willful neglect penalty of twenty five percent will be added to the account balance. If the outstanding account balance remains delinquent past one hundred and twenty days from the invoice due date, the delinquent account will be forwarded to the Arizona Attorney General's Office.

Final payments must include all interest and penalties. The collection process will continue until the amount due is paid in full, including interest and penalties.

4.0 Authority

A.R.S § 42-1123. Interest

A.R.S § 49-113. Fees; unpaid amounts; penalties; audits

A.R.S § 12-671. Drawing check or draft on no account or insufficient account with intent to defraud; civil action; definition of credit; prima facie evidence.

5.0 Audience

ADEQ employees

ADEQ customers

6.0 Policy Steward

ADEQ Chief Financial Officer

7.0 Communication & Training

This substantive policy will be noticed in accordance with A.R.S. § 41-1091. ADEQ will make this policy available on its external website.

Managers will be informed about this policy at the All Managers Meeting. Applicable financial staff will be trained initially and thereafter when appropriate.

8.0 Annual Policy Review

This policy will be reviewed annually during the Agency Annual Policy Review and will be revised or withdrawn as necessary at that time.

9.0 Additional Documents

N/A

10.0 Approval

Title	Name	Signature	Date
ADEQ Director	Karen Peters	<small>DocuSigned by:</small> <i>Karen Peters</i> <small>72DC0E312D584BF...</small>	9/10/2023
ADEQ Deputy Director	Michael Keyack	<small>DocuSigned by:</small> <i>Michael Keyack</i> <small>F07AE8DEEBE942C...</small>	9/6/2023
Chief Financial Officer	Jared Sprunger	<small>DocuSigned by:</small> <i>Jared Sprunger</i> <small>0AA3E0665A9B4C0...</small>	9/5/2023
Administrative Counsel	Edwin Slade	<small>DocuSigned by:</small> <i>Edwin Slade</i> <small>C19ECEB333B7438...</small>	9/5/2023

11.0 Historical Note

Date	Number, Name, and Issue Date of Previous Version	Replaces Listed Sections/Entire Document	Reason
6/28/1999	0016_003 Collection of Penalties, Fees, Fines and Interest Policy, September 2nd 1994	Entire Document	-
06/12/2023	0016_003 Collection of Penalties, Fees, Fines and Interest Policy, June 28th 1999	Entire Document	Update