

Wash. Haven. Hres. 9/24

SENATE FILE 2341  
BY COMMITTEE ON HUMAN RESOURCES  
*approved (p. 655)*  
(SUCCESSOR TO SSB 2232)

Passed Senate, Date 3/23/92 (p. 915) Passed House, Date \_\_\_\_\_  
Vote: Ayes 38 Nays 10 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the establishment of a child support amnesty  
2 program.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2341

1 Section 1. DEFINITIONS. As used in this Act, unless the  
2 context otherwise requires:

3 1. "Arrearage" or "arrearages" include past due child,  
4 medical, or spousal support obligations enforced by the unit  
5 pursuant to chapter 252B.

6 2. "Department" means the department of human services.

7 3. "Unit" means the child support recovery unit  
8 established pursuant to chapter 252B.

9 Sec. 2. INTENT -- PURPOSE.

10 1. The purpose of an amnesty program would be to allow the  
11 forgiveness of arrearages in an amount equal to an actual  
12 payment on arrearages, but only if the arrearages accrued  
13 prior to December 31, 1991.

14 2. It is the intent of the general assembly that the unit  
15 determine if implementation of an amnesty program for child  
16 support obligors with arrearages is feasible and allowable  
17 under state and federal law.

18 3. It is also the intent of the general assembly that the  
19 unit determine if the amnesty program could be made available  
20 to recipients of child support who are also public assistance  
21 recipients and recipients who are not public assistance  
22 recipients, in order to provide an incentive to parents to  
23 become involved in the care of their dependent children by  
24 meeting their financial responsibilities under a court or  
25 administrative order for support, while reducing the aggregate  
26 amount of arrearages outstanding in Iowa.

27 Sec. 3. REVIEW OF AMNESTY PROGRAM.

28 1. The unit shall assess the feasibility of the  
29 implementation of a program to allow amnesty for child support  
30 arrearages through all of the following measures:

31 a. The unit shall request, in writing, from federal child  
32 support officials, a determination regarding whether the  
33 forgiveness of child support arrearages is allowed under  
34 federal law.

35 b. The unit shall request, in writing, from federal child

1 support officials, a determination of whether the state child  
2 support agency has the authority to waive the federally  
3 provided portion of an arrearage assigned to the department  
4 based upon a recipient's acceptance of public assistance, or  
5 if the state would be required to report the forgiveness as an  
6 actual collection, resulting in a reduction in federal funding  
7 to the state for administration of public assistance programs.

8 c. The unit shall request, in writing, from federal child  
9 support officials, a determination of whether an amnesty  
10 program, if implemented, would be required to be made  
11 available to obligees who do not receive public assistance,  
12 upon the request of either an obligee or obligor.

13 d. The unit shall request, in writing, from federal child  
14 support officials, a determination of whether an exemption  
15 from existing enforcement requirements in cases in which the  
16 parties would be enrolled in the amnesty program and payments  
17 would be made under an amnesty program would be allowed. The  
18 request shall specifically include a request for a  
19 determination regarding withholding and income tax refund  
20 offsets.

21 2. The intent of this Act, as identified in section 2 of  
22 this Act, shall accompany communications with federal  
23 officials.

24 3. The department shall submit a report by January 15,  
25 1993, regarding the response or status of a response from  
26 federal officials, by forwarding a written response or copies  
27 of the response from federal officials to the legislative  
28 fiscal bureau which shall make the report available to the  
29 general assembly.

30 EXPLANATION

31 This bill requires the child support recovery unit to  
32 assess the feasibility of a program to allow the forgiveness  
33 of child support liabilities for obligors for whom the  
34 collection of the obligation has been assigned to the child  
35 support recovery unit under chapter 252C. The unit is

1 required to request various determination duties from the  
2 federal government regarding the feasibility of such a  
3 program, regarding any resultant federal funding, regarding  
4 the availability of the program to obligees and obligors not  
5 receiving public assistance, and regarding exemption from  
6 enforcement requirements. The department of human services is  
7 required to report the results of the requests for  
8 determinations by January 15, 1993, to the legislative fiscal  
9 bureau to be made available to the general assembly.

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SENATE FILE 2341  
FISCAL NOTE

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A fiscal note for Senate File 2341 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2341 requires the Department of Human Services (DHS) to determine the feasibility of an amnesty program for child support obligors whose debt has been assigned to the State. These cases involve obligors whose children are receiving Aid to Families with Dependent Children (AFDC). DHS is required to work with the federal government to determine the fiscal impact of such an amnesty. A report is required to be submitted by January 15, 1993.

FISCAL EFFECT: It is estimated that the additional work related to the feasibility determination will require an additional 0.5 FTE positions. The estimated cost is \$20,000 in FY 1993. FY 1994 fiscal impact will depend upon the results of the feasibility determination. (LSB 6141sv, JMN)

FILED MARCH 27, 1992

BY DENNIS PROUTY, FISCAL DIRECTOR

SSB 2232

Human Resources  
Now

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SENATE FILE ~~223~~ 2341  
BY (PROPOSED COMMITTEE ON HUMAN  
RESOURCES BILL BY CHAIR-  
PERSON HANNON)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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1 Section 1. DEFINITIONS. As used in this Act, unless the  
2 context otherwise requires:

3 1. "Department" means the department of human services.

4 2. "Manager" means the manager of the child support  
5 recovery unit of the department of human services, or the  
6 manager's designee.

7 3. "Responsible person" means a parent, relative,  
8 guardian, or another person legally liable for the support of  
9 a child or a child's caretaker.

10 Sec. 2. INTENT

11 1. It is the intent of the general assembly that the child  
12 support amnesty program provide an incentive to parents to  
13 become involved in the care of their dependent children.

14 2. It is also the intent of the general assembly that the  
15 child support amnesty program promote payment of child support  
16 by obligors who have failed to make child support payments in  
17 order to reduce the current aggregate amount of child support  
18 outstanding for over one year of approximately \$554 million  
19 and to encourage continued payment of child support by  
20 obligors.

21 Sec. 3. AMNESTY PROGRAM.

22 1. Following receipt of a federal waiver, if necessary,  
23 the manager shall establish a child support amnesty program.  
24 The amnesty program shall apply to child support liabilities  
25 delinquent as of December 31, 1991, including liabilities  
26 recorded by the manager as of December 31, 1991, or  
27 liabilities not reported or established, but delinquent, as of  
28 December 31, 1991, and for which the right, title, and  
29 interest in any support obligation and arrearages owed have  
30 been assigned to the department of human services based upon  
31 the recipient's acceptance of public assistance.

32 2. The amnesty program shall be for a period from July 1,  
33 1992, through June 30, 1993, for any liabilities which are  
34 delinquent as of December 31, 1991.

35 3. The amnesty program shall provide that upon written

1 application by a responsible person and payment by the  
2 responsible person of each one-month payment of child support  
3 owed, the liability of the responsible person, delinquent as  
4 of December 31, 1991, shall be forgiven in at least a like  
5 amount. The manager may enter into an agreement with the  
6 parties to reduce delinquency in an aggregate amount or for a  
7 greater period of delinquency. The department shall not seek  
8 to collect any other interest or penalties which may be  
9 applicable and the department shall not seek civil or criminal  
10 prosecution for a responsible party for the period of time for  
11 which amnesty has been granted. Following the initial payment  
12 by the responsible person and application for admittance to  
13 the amnesty program, failure to provide payment for child  
14 support in a timely fashion, in any subsequent payment period  
15 shall invalidate any child support amnesty granted pursuant to  
16 this Act. Following the initial payment by a responsible  
17 person and application for admittance to the amnesty program  
18 the department shall not force compliance through collection  
19 activities such as wage assignment or attachment of income tax  
20 refunds if the responsible person continues to substantially  
21 comply with the requirements of the program.

22 4. Amnesty shall not be granted to a responsible person  
23 who is the subject of an active criminal investigation or of  
24 criminal litigation which is pending in a district court, the  
25 court of appeals, or the supreme court of this state for  
26 nonpayment or fraud in relation to the child support owed.

27 5. The manager shall prepare and make available amnesty  
28 application forms which contain requirements for approval of  
29 an application. The manager may deny any application  
30 inconsistent with the requirements of this Act.

31 6. An obligee not otherwise eligible as a public  
32 assistance recipient and for whom the right, title, and  
33 interest in any support obligation and arrearages owed has not  
34 been assigned to the department under chapter 252C, may agree  
35 in writing to allow a responsible person to participate in the

1 amnesty program. A responsible person may make application to  
2 the manager to request participation in the amnesty program if  
3 the obligee refuses to allow participation in the program.  
4 The manager shall certify the matter to the district court and  
5 the district court shall set the matter for hearing and notify  
6 the parties of the time and place of the hearing. The court  
7 may enter an order as the court deems appropriate to direct  
8 participation of the parties in the amnesty program if the  
9 court finds participation to be in the best interests of all  
10 parties, including the dependent child. The responsible party  
11 shall pay all costs associated with the court proceedings  
12 under this subsection.

13 7. The department, in cooperation with the department of  
14 justice, shall implement an education program to provide  
15 information regarding the amnesty program to the public  
16 through multimedia advertisements and the provision of  
17 information through the clerks of the district court.

18 8. The department shall submit a report of the results of  
19 the program to the general assembly meeting by January 15,  
20 1994.

21 9. The department shall apply for any federal waiver  
22 necessary to implement this Act.

23 EXPLANATION

24 This bill authorizes the forgiveness of child support  
25 liabilities for obligors for whom the collection of the  
26 obligation has been assigned to the child support recovery  
27 unit under chapter 252C if the recipient is also a recipient  
28 of public assistance owed prior to December 31, 1991.  
29 Forgiveness is allowed at least to the extent that a  
30 responsible person pays monthly child support following the  
31 responsible person's application to participate in the child  
32 support amnesty program and the payment of an initial monthly  
33 child support payment. In order to be eligible for  
34 participation in the amnesty program, a responsible person  
35 must apply for and make an initial payment to the child

1 support recovery unit. If a responsible person fails to  
2 continue payment of child support following entrance in the  
3 amnesty program, the amnesty granted is invalidated. The bill  
4 also provides for forgiveness of obligations for obligors for  
5 whom collection of an obligation has not been assigned to the  
6 child support recovery unit. Provisions are also made for a  
7 public awareness program regarding the amnesty program and for  
8 the submission of a report to the general assembly regarding  
9 the program following its completion.

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