

Reprinted

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Place On Calendar

HOUSE FILE 2452
BY COMMITTEE ON JUDICIARY
AND LAW ENFORCEMENT

(Formerly House File 2122) ✓

Passed House, Date 3/22/88 (p.1034) Passed Senate, Date 4/13/88 (p.1514)

Vote: Ayes 83 Nays 17 Vote: Ayes 40 Nays 8

Approved May 12, 1988
Stem
Wife

A BILL FOR

1 An Act relating to the receipt and disbursement of support
2 payments by transferring the collection and distribution of
3 child support payment from the department of human services
4 collection services center to the district court clerks, by
5 making an exception, for federal social security payments, to
6 the statutory requirements regarding allowable payees, and by
7 providing effective dates.

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

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HI 2452

1 Section 1. Section 252D.1, subsection 3, Code 1987, is
2 amended to read as follows:

3 3. If support payments ordered under section 252A.6,
4 subsection 12, section 598.21, or section 675.25, or under a
5 comparable statute of a foreign jurisdiction, as certified to
6 the child support recovery unit established in section 252B.2,
7 are not paid to the clerk of the district court pursuant to
8 section 598.22 and become delinquent in an amount equal to the
9 payment for one month, upon application of a person entitled
10 to receive the support payments, the child support recovery
11 unit or the district court may enter an ex parte order
12 notifying the person whose income is to be assigned, of the
13 delinquent amount, of the amount of income or wages to be
14 withheld, and of the procedure to file a motion to quash the
15 order of assignment, and shall order an assignment of income
16 and notify an employer, trustee, or other payor by certified
17 mail of the order of the assignment of income requiring the
18 withholding of specified sums to be deducted from the
19 delinquent person's periodic earnings, trust income, or other
20 income sufficient to pay the support obligation and, except
21 ~~for-trusts-governed-by-the-federal-Retirement-Equity-Act-of~~
22 ~~1984,-Pub.-L.-No.-98-397~~ as provided in section 598.22,
23 requiring the payment of such sums to the clerk of the
24 district court. ~~For-trusts-governed-by-the-federal-Retirement~~
25 ~~Equity-Act-of-1984,-Pub.-L.-No.-98-397,-the-assignment-of~~
26 ~~income-shall-require-the-payment-of-such-sums-to-the-alternate~~
27 ~~payee.~~ The assignment of income is binding on an existing or
28 future employer, trustee, or other payor ten days after the
29 receipt of the order by certified mail. The amount of an
30 assignment of income shall not exceed the amount specified in
31 15 U.S.C. §1673(b). The assignment of income has priority
32 over a garnishment or an assignment for a purpose other than
33 the support of the dependents in the court order being
34 enforced. The child support recovery unit or the district
35 court, upon the application of any party, by ex parte order,

1 may modify the assignment of income on the full payment of the
 2 delinquency or in an instance where the amount being withheld
 3 exceeds the amount specified in 15 U.S.C. §1673(b), or may
 4 revoke the assignment of income upon the termination of
 5 parental rights, emancipation, death or majority of the child,
 6 or upon a change of custody.

7 Sec. 2. Section 252D.6, Code 1987, is amended to read as
 8 follows:

9 252D.6 ADMINISTRATION OF WAGE WITHHOLDING PROCEDURES.

10 ~~The collection-services-center, established pursuant to~~
 11 ~~section-252B-13,~~ child support recovery unit is designated as
 12 the public agency of the state to administer wage withholding
 13 in accordance with procedure specified for keeping adequate
 14 records to document, track and monitor support payments in
 15 accordance with Title IV-D of the United States Social
 16 Security Act.

17 Sec. 3. Section 598.22, Code 1987, is amended to read as
 18 follows:

19 598.22 SUPPORT PAYMENTS -- CLERK OF COURT -- ~~COLLECTION~~
 20 ~~SERVICES-CENTER---~~ DEFAULTS -- SECURITY.

21 ~~This-section-applies-to-all-initial-or-modified-orders-for~~
 22 ~~support-entered-under-this-chapter, chapter-234, 252A, 252C,~~
 23 ~~675, or any other chapter of the Code. All orders or~~
 24 ~~judgments for support entered on or before March 31, 1987,~~
 25 entered under chapter 234, 252A, 252C, or 675 or under this
 26 chapter or any other chapter which provide for temporary or
 27 permanent support payments shall direct the payment of those
 28 sums to the clerk of the district court for the use of the
 29 person for whom the payments have been awarded. ~~All orders or~~
 30 ~~judgments for support entered on or after April 1, 1987, shall~~
 31 ~~direct the payment of those sums to the collection-services~~
 32 ~~center established pursuant to section-252B-13. Payments to~~
 33 persons other than the clerk of the district court ~~and the~~
 34 ~~collection-services-center~~ do not satisfy the support
 35 obligations created by the orders or judgments, except as

1 provided for trusts ~~in-section-252B-17-598-237-or-this-section~~
2 or governed by the federal Retirement Equity Act of 1984, Pub.
3 L. No. 98-397, for tax refunds or rebates in section 602.8102,
4 subsection 47, or for payments which the child support obligor
5 has been awarded under the federal Social Security Act, and
6 which are paid to the child support obligee. For trusts
7 governed by the federal Retirement Equity Act of 1984, Pub. L.
8 No. 98-397, the assignment of income shall require the payment
9 of such sums to the alternate payee in accordance with the
10 federal Act.

11 Upon a finding of previous failure to pay child support,
12 the court may order the person obligated for permanent child
13 support to make an assignment of periodic earnings or trust
14 income to the clerk of court ~~or-the-collection-services-center~~
15 ~~established-pursuant-to-section-252B-13~~ for the use of the
16 person for whom the assignment is ordered. The assignment of
17 earnings ordered by the court shall not exceed the amounts set
18 forth in 15 U.S.C. § 1673(b)(1982). The assignment is binding
19 on the employer, trustee, or other payor of the funds two
20 weeks after service upon that person of notice that the
21 assignment has been made. The payor shall withhold from the
22 earnings or trust income payable to the person obligated the
23 amount specified in the assignment and shall transmit the
24 payments to the clerk ~~or-the-collection-services-center, as~~
25 ~~appropriate.~~ However, for trusts governed by the federal
26 Retirement Equity Act of 1984, Pub. L. No. 98-397, the payor
27 shall transmit the payments to the alternate payee in
28 accordance with the federal Act. The payor may deduct from
29 each payment a sum not exceeding two dollars as a
30 reimbursement for costs. An employer who dismisses an
31 employee due to the entry of an assignment order commits a
32 simple misdemeanor.

33 An order or judgment entered by the court for temporary or
34 permanent support or for an assignment shall be filed with the
35 clerk. The orders have the same force and effect as judgments

1 when entered in the judgment docket and lien index and are
2 records open to the public. The clerk ~~or-the-collection~~
3 ~~services-center,-as-appropriate,~~ shall disburse the payments
4 received pursuant to the orders or judgments within ten
5 working days of the receipt of the payments. All moneys
6 received or disbursed under this section shall be entered in a
7 record book kept by the clerk ~~-or-the-collection-services~~
8 ~~center,-as-appropriate,~~ which shall be open to the public.
9 The clerk ~~or-the-collection-services-center~~ shall not enter
10 any moneys paid in the record book if not paid directly to the
11 clerk ~~or-the-center,-as-appropriate,~~ except as provided for
12 trusts in section-252B.1,-598.23-or-this-section and for
13 federal social security payments in this section, or for tax
14 refunds or rebates in section 602.8102, subsection 47.

15 If the sums ordered to be paid in a support payment order
16 are not paid to the clerk ~~or-the-collection-services-center,~~
17 ~~as-appropriate,~~ at the time provided in the order or judgment,
18 the clerk ~~or-the-collection-services-center,-as-appropriate,~~
19 shall certify a default to the court which may, on its own
20 motion, proceed as provided in section 598.23.

21 Prompt payment of sums required to be paid under sections
22 598.11 and 598.21 ~~shall-be~~ is the essence of such orders or
23 judgments and the court may act pursuant to section 598.23
24 regardless of whether the amounts in default are paid prior to
25 the contempt hearing.

26 Upon entry of an order for support or upon the failure of a
27 person to make payments pursuant to an order for support, the
28 court may require the person to provide security, a bond, or
29 other guarantee which the court determines is satisfactory to
30 secure the payment of the support. Upon the person's failure
31 to pay the support under the order, the court may declare the
32 security, bond, or other guarantee forfeited.

33 Sec. 4. Section 598.23, subsection 2, paragraph a, Code
34 1987, is amended to read as follows:

35 a. Directs the defaulting party to assign trust income, or

1 a sufficient amount in salary or wages due or to become due in
2 the future from an employer or successor employers, to the
3 clerk of the district court, except as otherwise provided in
4 section 598.22 for certain trust income, federal social
5 security payments, or tax refunds or rebates, where the order
6 or judgment was granted for the purpose of paying the sums in
7 default as well as the payments to be made in the future.

8 ~~However, for trusts governed by the federal Retirement-Equity~~
9 ~~Act of 1984, Pub. L. No. 98-397, payments shall be made to the~~
10 ~~alternate payee in accordance with the federal Act.~~ If the
11 assignment is of salary or wages due, the amount assigned
12 shall not exceed the amount set forth in 15 U.S.C.

13 §1673(b)(1982) and the assignment order is binding upon the
14 employer only for those amounts that represent child support
15 and only upon receipt by the employer of a copy of the order,
16 signed by the employee. For each payment deducted in
17 compliance with the direction, the payor may deduct a sum not
18 exceeding two dollars as a reimbursement for costs.

19 Compliance by a payor with the court's order shall operate as
20 a discharge of the payor's liability to the payee as to the
21 affected portion of the payee's wages or trust income. An
22 employer who dismisses an employee due to the entry of an
23 assignment order commits a simple misdemeanor.

24 Sec. 5. The judicial department and the department of
25 human services shall establish a plan for the development of a
26 system of electronic data storage and transmission between the
27 district court clerks, the state court administrator's office,
28 and the child support recovery unit. Priority shall be given
29 to the development of the system's operation regarding child
30 support and the enforcement of temporary and permanent support
31 orders.

32 Sec. 6. REPEALS.

33 1. Sections 252B.15 through 252B.17, Code 1987, are
34 repealed.

35 2. Sections 252B.13 and 252B.14, Code Supplement 1987, are

1 repealed.

2 Sec. 7. TRANSITION. For existing orders of support
3 entered before the effective date of this Act, which direct
4 the payments of support to the collection services center, the
5 following procedure shall be implemented to convert the
6 processing of those payments to the clerks of the district
7 court on or before September 1, 1988:

8 1. The department of human services and the judicial
9 department shall establish a mutually agreed effective date,
10 between April 1, 1988 and September 1, 1988, to effectuate the
11 transfer of these functions from the collection services
12 center to each clerk of the district court. The judicial
13 department shall cause to be published in the administrative
14 bulletin a cumulative list of effective dates by county, once
15 agreed upon and determined, which list shall be final and
16 inclusive of all counties on the next date of publication
17 subsequent to September 1, 1988.

18 2. In addition, for orders of support entered before the
19 effective date of this Act, the judicial department or the
20 child support recovery unit shall notify the payee and the
21 obligor that the obligor will be directed to pay future
22 support payments to the clerk of the district court as of the
23 date provided in the notice. The notice to the obligor shall
24 be equivalent of a court order directing the payment of the
25 sums to the clerk of the district court.

26 3. The notice of the change in the direction of payments
27 shall be sent by ordinary mail to the payee's and the
28 obligor's last known addresses or the persons shall be
29 personally served with the notice in the manner provided for
30 service of an original notice at least fifteen days prior to
31 the date provided in the notice for the redirection of the
32 payments. The notice shall include all of the following:

33 a. The name of the payee and, if different in whole or
34 part, the names of the persons to whom the obligation of
35 support is owed by the obligor.

1 b. The name of the obligor.

2 c. The amount of the periodic support payment, the due
3 dates of the payments and any arrearages.

4 d. The beginning date for sending payments to the clerk of
5 the district court.

6 4. Sixty days prior to the mutually agreed effective date
7 in subsection 1, the collection services center shall transfer
8 to each clerk of the district court information regarding all
9 existing orders of support which direct the payment of support
10 to the collection services center. The form and content of
11 the transfer shall be prescribed by the judicial department
12 after consultation with the department of human services but
13 at a minimum shall include the data elements required for the
14 notice in subsection 3.

15 5. On or after the mutually agreed effective date in
16 subsection 1, but in any event not later than September 1,
17 1988, any payments received by the department of human
18 services for support or for the satisfaction of arrearages
19 shall be sent by the judicial department to the appropriate
20 clerk of the district court within ten days of receipt of the
21 payments.

22 Sec. 8. EFFECTIVE DATES. This Act, being deemed of
23 immediate importance, takes effect upon enactment. However,
24 section 6 of this Act takes effect September 1, 1988.

25 EXPLANATION

26 This bill transfers the collection and distribution of
27 child support payments from the department of human services'
28 collection services center to the district court clerks. The
29 collection services center is abolished September 1, 1988.
30 The judicial department is directed to develop a plan for the
31 computerization of the clerks' offices, initially emphasizing
32 the child support system.

33 This bill also relates to the payment of child support by
34 making an exception, for federal social security payments, to
35 the strict statutory requirements regarding allowable payees.

1 Under current law, a payment to any other person other than
2 the clerk of the district court or the collection services
3 center does not satisfy the child support obligation created
4 by a court order or judgment. The bill permits a payment,
5 which the child support obligor has been awarded under the
6 federal Social Security Act and which is paid to the child
7 support obligee, to be credited against the child support
8 obligation. Duplicatory language in several sections of the
9 Code is consolidated in section 598.22.

10 This bill takes effect upon enactment.

11 SIMILAR TO HF 2122 (LSB 7107H)

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HOUSE FILE 2452
FISCAL NOTE

In compliance with a written request received March 21, 1988, a fiscal note for HOUSE FILE 2452 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2452 would transfer the collection and distribution of child support payments from the Department of Human Services' Collection Services Center to the District Court clerks. The Collection Services Center would be abolished July 1, 1988, and the Judicial Department would develop a plan for the computerization of the clerk's offices, initially emphasizing the child support system.

There is uncertainty about the impact of the bill upon continued federal enhanced funding. The federal government provided 90/10 funding for the development of the Collection Services Center on the strength of Iowa's state plan for a central computerized processing center. To date, \$1,368,000 has been received. If the functions of the CSC were transferred to the Judicial Department, the state would have to promptly file an amended Advanced Planning Document. At that time, future enhanced funding would be suspended for both the CSC and the Child Support Recovery systems. Federal officials would then review the revised APD to determine whether the new plan meet the requirement of a single set of software. Federal officials have not indicated that any of the enhanced funding already received would have to be repaid.

The effect of the bill upon child support collections is uncertain. The Department of Human Services estimates that the Collection Services Center will increase AFDC collections and incentive payments by \$880,000 each year; however, to date no increase in revenues can be directly attributed to the CSC. A computerized child support collections system in the judicial department could, in theory, collect this increased amount, if there were good electronic communications with the DHS Child Support Recovery Unit (CSRU).

The cost of computerizing child support collections in the judicial department is also uncertain. The Judicial Department estimates that implementing an automated system to handle all cases in the state would cost \$1,368,000 (one-time cost). Of this amount approximately \$384,000 would be incurred as part of the Judicial Department's computerization project regardless of whether child support is transferred. Annual total operating costs in the Judicial Department are estimated to be \$610,000; this probably would be offset by some federal funding.

Given these uncertainties, the fiscal effect of this bill is estimated to be as follows:

<u>Revenues - annual - DHS</u>	
- Savings from elimination of CSC in DHS:	\$ 725,000
- Cost of child support function in Judicial Dept:	-610,000
- Anticipated federal revenue	225,000

NET ANNUAL SAVINGS	340,000

<u>Expenditures - one-time</u>	
- Cost of implementation of automated system	

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with communications in Judicial Department:	\$ 828,000
- Cost of converting CSC and unconverted cases to Judicial Department automated system:	540,000

TOTAL ONE-TIME EXPENDITURES	\$1,368,000

The Judicial Department says that its budget requests for previous years have been based upon the child support function being transferred to the Department of Human Services, and that "the court will have to reevaluate previous requests from the 8 judicial districts for additional FTE positions for clerks' offices if the child support function is to remain there." The Judicial Department expects to request approximately \$610,000 for additional staff and support.

The Judicial Department estimates that it would take a minimum of 1.5 years to implement their automated system. They anticipate that they would be able to utilize some of the hardware that has been purchased by the Department of Human Services.

Sources: Department of Human Services, Judicial Department (LSB 8418h,3, JMN)

LED MARCH 21, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2452
FISCAL NOTEREVISED

In compliance with a written request received March 21, 1988, a fiscal note for HOUSE FILE 2452 - REVISED is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2452 would transfer the collection and distribution of child support payments from the Department of Human Services' Collection Services Center to the District Court clerks. The Collection Services Center would be abolished July 1, 1988, and the Judicial Department would develop a plan for the computerization of the clerk's offices, initially emphasizing the child support system.

There is uncertainty about the impact of the bill upon continued federal enhanced funding. The federal government provided 90/10 funding for the development of the Collection Services Center on the strength of Iowa's state plan for a central computerized processing center. To date, \$1,368,000 has been received. If the functions of the CSC were transferred to the Judicial Department, the state would have to promptly file an amended Advanced Planning Document. At that time, future enhanced funding would be suspended for both the CSC and the Child Support Recovery systems. Federal officials would then review the revised APD to determine whether the new plan met the requirement of a single set of software.

The Judicial Department estimates that implementing an automated system to handle all cases in the state would cost \$1,368,000 (one-time cost). Of this amount approximately \$384,000 would be incurred as part of the Judicial Department's computerization project regardless of whether child support is transferred. The Judicial Department says that its budget requests for previous years have been based upon the child support function being transferred to the Department of Human Services, and that "the court will have to reevaluate previous requests from the 8 judicial districts for additional FTE positions for clerks' offices if the child support function is to remain there." The Judicial Department expects to request approximately \$610,000 for additional staff and support.

The Judicial Department estimates that it would take a minimum of 1.5 years to implement their automated system. They anticipate that they would be able to utilize some of the hardware that has been purchased by the Department of Human Services.

Given these uncertainties, the fiscal effect of this bill is estimated to be as follows:

FY 1989 - operating expense:	
- Savings from elimination of CSC in DHS (state \$)	\$ 604,167
- Cost of additional staff in Judicial Department	610,000
- No federal money for 10 months until Judicial Department's automated system is implemented	0

NET FY 1989 Operating Savings	\$ 5,833

FY 1989 - begin Judicial Department automation expenditures:
- Cost of implementation of automated system

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with communications in Judicial Department:	\$ 828,000
<u>TOTAL FY 1989 Additional Expense due to HF 2452</u>	<u>\$ 822,167</u>
FY 1990 - operating expense:	
- Savings from elimination of CSC in DHS (state \$)	\$ 725,000
- Cost of additional staff in Judicial (state \$) (\$610,000 minus 6 months fed \$ of \$112,500)	497,500

FY 1990 Operating savings	\$ 227,500
FY 1990 Conversion Costs	\$ 540,000
<u>TOTAL FY 1990 Additional Expenses due to HF 2452</u>	<u>\$ 312,500</u>

The estimate for FY 1990 assumes that the federal government approves the revised Advanced Planning Document with the Judicial Department operating the child support payment and disbursement system, and the state receives enhanced federal funding for 6 months. If this approval is not forthcoming, then the additional expense would be \$112,500 more.

The CSC system being implemented by DHS is a mainframe system with terminals and printers in each of the DHS 99 county offices and 18 CSRU offices. A 800-number telephone system and 14 full-time staff are available to answer questions. The CSC system supports direct deposits and ATM cards and calculation of delinquency amounts, and is integrated with the child support recovery unit and AFDC computer systems, allowing automatic terminations and assignments.

The automated system proposed by the Judicial Department is a temporary system consisting of micro-computers interconnected with dial-up modems; once the overall court automation system is implemented child support will become a part of the larger system. Public inquiries will be handled by the district court clerks. The system will not support direct deposits and ATM cards. It will calculate delinquency amounts and should be able to interface with the CSRU and ADC system.

According to the federal Office of Child Support Enforcement in Kansas City, there is a possibility, but not a probability, that the \$1.4 million federal funding that Iowa received to begin the CSC would have to be repaid. This possibility has not been factored in to these fiscal estimates.

Sources: Department of Human Services, Judicial Department (LSB 8418h.4, JMN)

FILED MARCH 22, 1988

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 2452

H-5752

1 Amend House File 2452 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. IMPLEMENTATION OF THE COLLECTION
5763 57575 SERVICES CENTER. The department of human services
6 shall take all of the following actions in regard to
7 the implementation of the collection services center:

5758 1. The department shall not continue the
9 conversion of counties from a system of payment to the
10 clerk of the district court to one of payment to the
11 collection services center. However, the conversion
12 of orders and their payments in Linn county and Polk
13 county shall be completed by January 1, 1989. Initial
14 and modified orders or judgments for support entered
15 after April 1, 1987, orders from counties already
16 converted to the collection services center, orders
5763 17 related to services received under chapter 252B, and
18 orders where either party to the order voluntarily
19 requests conversion shall direct payments to the
20 collection services center.

21 2. The child support collection services center
22 shall complete the verification of data by re-
23 abstracting the counties which have been converted to
24 payment through the center. If any of the thirty-
25 three persons who are temporarily employed to provide
26 the abstracting complete the conversion of data in
27 Linn and Polk counties and the orders related to
5763 28 services received under chapter 252B before January 1,
29 1989, the department shall seek approval from the
30 legislative council to proceed in other counties with
31 the abstracting of order information and conversion to
32 the collection services center.

5755 33 3. Notwithstanding section 598.22 or any other
34 section which provides for temporary or permanent
35 support payments, parties who are under an order for
5763 36 support which is unrelated to chapter 252B services
37 may make payments to and receive payments from the
38 clerk of the district court if all of the following
39 apply:

40 a. The payor is not in arrears with a support
41 obligation which currently exists.

42 b. The parties agree to make and receive payments
43 through the clerk of the district court.

44 c. The agreement is approved by the court and
45 filed with the clerk of the district court and the
46 department. The department shall prepare a form which
47 may be used by the parties to implement such an
48 agreement.

49 Payment through the clerk of the district court
50 shall continue so long as the payor remains in good

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1 standing and the order remains unrelated to chapter
2 252B services.

3 Records of payments made through the clerk of the
4 district court's office, and a copy of a new or
5 modified court order, shall be forwarded to the
6 collection services center from the clerk of the
7 district court in which payment was made or a new or
8 modified order was entered.

9 4. The center shall submit a report to the fiscal
10 committee of the legislative council, the legislative
11 fiscal bureau, and the directors of the majority and
12 minority legislative caucus staffs of the senate and
13 house of representatives in each month following the
14 enactment of this Act. The report shall contain all
15 of the following information:

16 a. The progress made in verifying the data in the
17 converted counties.

18 b. The time required between the time a payment is
19 received and the time funds are distributed to a
20 recipient.

21 c. The number, nature, and frequency of complaints
22 regarding the operation of the center including an
23 analysis of the sources of the complaints.

24 d. An estimate of the time and resources required
25 to complete the verification of data in the converted
26 counties, the Linn county conversion, and the Polk
27 county conversion.

28 5. As part of comprehensive legislative oversight,
29 the center, in consultation with the legislative
30 fiscal bureau, shall submit a report to the general
31 assembly on or before January 1, 1989, which evaluates
32 the operation of the center during the period
33 beginning May 1, 1988, and ending December 1, 1988.
34 The report shall include all of the following:

35 a. An assessment of the impact of the center upon
36 the payment of child support, including information
37 regarding the dollar amount collected by the child
38 support recovery unit and the dollar amount received
39 by recipients.

40 b. An assessment of the effect of the center upon
41 the percentage of payors who are making payments.

42 c. An assessment of the level of satisfaction with
43 the services of the center among payors and
44 recipients.

45 d. An assessment of the cost-effectiveness of
46 processing child support payments through the center
47 in comparison with processing through the clerks of
48 the district court.

49 e. A proposed timetable for the full
50 implementation of collection services by the center in

H-5752

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1 all counties.

2 f. Other information relevant to the policy
3 analysis of child support issues as requested by the
4 legislative fiscal bureau.

5 Sec. 2. Section 252B.16, unnumbered paragraph 1
6 and subsection 1, Code 1987, are amended to read as
7 follows:

8 For existing orders of support entered before April
9 1, 1987, which direct the payments of support to the
10 clerk of the district court, the following procedure
11 shall be implemented to convert the processing of
12 those payments to the collection services center on or
13 before April 1, ~~1988~~ 1989:

14 1. The department of human services and the
15 judicial department shall establish a mutually agreed
16 effective date, between April 1, 1987, and April 1,
17 ~~1988~~ 1989, to effectuate the transfer of these
18 functions from each clerk of the district court to the
19 collection services center. The department shall
20 cause to be published in the administrative bulletin a
21 cumulative list of effective dates by county, once
22 agreed upon and determined, which list shall be final
23 and inclusive of all counties on the next date of
24 publication subsequent to April 1, ~~1988~~ 1989.

25 Sec. 3. Section 252B.16, subsection 5, Code 1987,
26 is amended to read as follows:

27 5. On or after the mutually agreed effective date
28 in subsection 1, but in any event not later than April
29 1, ~~1988~~ 1989, any payments received by the clerk of
30 the district court for support or for the satisfaction
31 of arrearages shall be sent by the clerk to the
32 address specified by the collection services center
33 within ten days of receipt of the payments."

34 2. Title page, by striking lines 1 through 7 and
35 inserting the following: "An Act relating to the
36 collection services center of the department of human
37 services."

BY PETERSON of Carroll

PAULIN of Plymouth

FEY of Scott

HAVERLAND of Polk

CARPENTER of Polk

H-5752 FILED MARCH 18, 1988

GRUHN of Dickinson

VAN MAANEN of Mahaska

JOCHUM of Dubuque

SIEGRIST of Pottawattamie

SVOBODA of Tama

w/d 3/22 (p 1003)

HOUSE FILE 2452

H-5751

1 Amend House File 2452 as follows:

- 2 1. Page 4, line 4, by inserting after the word
3 "judgments" the words "on the same day received if
4 applied for in person by the payee and acknowledged by
5 the payee, or otherwise".
- 6 2. Page 4, line 4, by striking the word "ten" and
7 inserting the following: "ten two".
- 8 3. Page 4, line 7, by striking the words "record
9 book" and inserting the following: "record-book
10 computer data base".
- 11 4. Page 4, line 8, by striking the word "open"
12 and inserting the following: "open available".
- 13 5. Page 4, line 10, by striking the words "record
14 book" and inserting the following: "record-book data
15 base".
- 16 6. Page 4, line 14, by inserting after the word
17 and figure "subsection 47." the following: "The clerk
18 of court shall forward the data to a centralized
19 statewide data base as directed by the state court
20 administrator."
- 21 7. Page 5, line 31, by inserting after the word
22 "orders." the following: "The judicial department may
23 authorize a fee pursuant to federal guidelines not to
24 exceed twenty-five dollars per year to be charged to
25 the child support obligor for the purpose of financing
26 the cost of the system of electronic data storage and
27 transmission and the cost of child support collection
28 services conducted by the district court clerks. A
29 clerk may waive the fee for individual obligors on the
30 grounds of indigency of the obligor or on the grounds
31 that collection of the fee would adversely affect the
32 ability of the obligor to meet the child support
33 obligation."
- 34 8. Page 7, line 20, by striking the word "ten"
35 and inserting the word "two".

BY SWARTZ of Marshall

H-5751 FILED MARCH 18, 1988

JAY of Appanoose

A. A. [unclear], B.C. w/10 3/22 (p 1004)

HOUSE FILE 2452

H-5763

- 1 Amend amendment, H-5752, to House File 2452 as
2 follows:
3 1. Page 1, by striking line 5 and inserting the
4 following: "SERVICES CENTER. Notwithstanding
5 sections 252B.13 through 252B.17, the department of
6 human services".
7 2. Page 1, line 17, by striking the word and
8 figure "chapter 252B" and inserting the following:
9 "sections 252B.1 through 252B.12".
10 3. Page 1, line 28, by striking the word and
11 figure "chapter 252B" and inserting the following:
12 "sections 252B.1 through 252B.12".
13 4. Page 1, line 36, by striking the words and
14 figure "chapter 252B services" and inserting the
15 following: "services under sections 252B.1 through
16 252B.12".

H-5763 FILED MARCH 21, 1988 BY PETERSON of Carroll

Classified 0/6 3/22 (p.1003)

HOUSE FILE 2452

H-5755

- 1 Amend the amendment H-5752 to House File 2452 as
2 follows:
3 1. Page 1, by striking lines 11 through 32 and
4 inserting the following: "collection services
5 center."
6 2. Page 1, by striking lines 38 through 42 and
7 inserting the following: "clerk of the district court
8 if the payee wishes to receive payments".
9 3. By striking page 1, line 44, through page 2,
10 line 2.
11 4. By striking page 2, lines 9 through 27.
12 5. By striking page 2, line 34, through page 3,
13 line 33.
14 6. By renumbering as necessary.

H-5755 FILED MARCH 21, 1988 BY SWARTZ of Marshall
Placed o/s 3/22 (p. 1003)

HOUSE FILE 2452

H-5754

- 1 Amend amendment, H-5751, to House File 2452 as
2 follows:
3 1. Page 1, line 24, by striking the word "twenty-
4 five" and inserting the following: "twelve".
5 2. Page 1, by striking lines 29 and 30, and
6 inserting the following: "clerk shall waive the fee
7 for an obligor if the clerk determines either that the
8 obligor is indigent or".

BY SWARTZ of Marshall
H-5754 FILED MARCH 21, 1988 JAY of Appanoose
Placed o/s 3/22 (p. 1004)

HOUSE FILE 2452

H-5757

- 1 Amend amendment, H-5752, to House File 2452 as
2 follows:
3 1. Page 1, by striking line 5 and inserting the
4 following: "SERVICES CENTER. Notwithstanding section
5 252B.13 through 252B.17, the department of human
6 services".

H-5757 FILED MARCH 21, 1988 BY PETERSON of Carroll
Placed o/s 3/22 (p. 1003)

FILED MAR 25 1988

STATE OF IOWA

FISCAL NOTE

LSB No. 8418h.5

Staff ID. JMN

HOUSE FILE 2452

In compliance with a written request received March 23, 1988, a fiscal note for **HOUSE FILE 2452 AS PASSED BY THE HOUSE** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2452 would transfer the collection and distribution of child support payments from the Department of Human Services' Collection Services Center to the District Court clerks. The Collection Services Center would be abolished September 1, 1988, and the Judicial Department would develop a plan for the computerization of the clerk's offices, initially emphasizing the child support system.

The House amended the bill to require the District Court clerks to disburse the payments received on the same day received if applied for in person, or otherwise within two working days of the receipt of the payments. The House also added language requiring the clerks to enter all moneys received or disbursed in a computer data base kept by the clerk which shall be available to the public; the clerk shall forward the data to a centralized statewide database as directed by the state court administrator.

There is uncertainty about the impact of the bill upon continued federal enhanced funding. The federal government provided 90/10 funding for the development of the Collection Services Center on the strength of Iowa's state plan for a central computerized processing center. To date, \$1,368,000 has been received. If the functions of the CSC were transferred to the Judicial Department, the state would have to promptly file an amended Advanced Planning Document. At that time, future enhanced funding would be suspended for both the CSC and the Child Support Recovery systems. Federal officials would then review the revised APD to determine whether the new plan met the requirement of a single set of software.

The Judicial Department estimates that implementing an automated system to handle all cases in the state would cost \$1,368,000 (one-time cost). Of this amount approximately \$384,000 would be incurred as part of the Judicial Department's computerization project regardless of whether child support is transferred. The Judicial Department says that its budget requests for previous years have been based upon the child support function being transferred to the Department of Human Services, and that "the court will have to reevaluate previous requests from the 8 judicial districts for additional FTE positions for clerks' offices if the child support function is to remain there." The Judicial Department expects to request approximately \$610,000 for additional staff and support.

The Judicial Department estimates that it would take a minimum of 1.5 years to implement their automated system. They anticipate that they would be able to utilize some of the hardware that has been purchased by the Department of Human Services.

Given these uncertainties, the fiscal effect of this bill is estimated to be as follows:

FY 1989 - operating expense:

- Savings from elimination of CSC in DHS (state \$) \$ 604,167

FISCAL NOTELSB No. 8418h.5Staff ID. JMN

HOUSE FILE 2452

-2-

- Cost of additional staff in Judicial Department	610,000
- No federal money for 10 months until Judicial Department's automated system is implemented	0
NET FY 1989 Operating Savings	\$ 5,833
FY 1989 - begin Judicial Department automation expenditures:	
- Cost of implementation of automated system with communications in Judicial Department:	\$ 828,000
<u>TOTAL FY 1989 Additional Expense due to HF 2452</u>	<u>\$ 822,167</u>
FY 1990 - operating expense:	
- Savings from elimination of CSC in DHS (state \$)	\$ 725,000
- Cost of additional staff in Judicial (state \$) (\$610,000 minus 6 months fed \$ of \$112,500)	497,500
FY 1990 Operating savings	\$ 227,500
FY 1990 Conversion Costs	\$ 540,000
<u>TOTAL FY 1990 Additional Expenses due to HF 2452</u>	<u>\$ 312,500</u>

The amendments approved by the House are estimated to have no fiscal impact.

The estimate for FY 1990 assumes that the federal government approves the revised Advanced Planning Document with the Judicial Department operating the child support payment and disbursement system, and the state receives enhanced federal funding for 6 months. If this approval is not forthcoming, then the additional expense would be \$112,500 more.

The CSC system being implemented by DHS is a mainframe system with terminals and printers in each of the DHS 99 county offices and 18 CSRU offices. A 800-number telephone system and 14 full-time staff are available to answer questions. The CSC system supports direct deposits and ATM cards and calculation of delinquency amounts, and is integrated with the child support recovery unit and AFDC computer systems, allowing automatic terminations and assignments.

The automated system proposed by the Judicial Department is a temporary system consisting of micro-computers interconnected with dial-up modems; once the overall court automation system is implemented child support will become a part of the larger system. Public inquiries will be handled by the district court clerks. The system will not support direct deposits and ATM cards. It will calculate delinquency amounts and should be able to interface with the CSRU and ADC system.

According to the federal Office of Child Support Enforcement in Kansas City, there is a possibility, but not a probability, that the \$1.4 million federal funding that Iowa received to begin the CSC would have to be repaid. This possibility has not been factored in to these fiscal estimates.

Sources: Department of Human Services, Judicial Department (LSB 8418h.5, JMN)

Annus Party
Fiscal Director

Legislative Fiscal Bureau

*L. Human Resources 3/23
Amend per 5558 v. D. Pass 3/24 (p. 1021)*

HOUSE FILE 2452
BY COMMITTEE ON JUDICIARY
AND LAW ENFORCEMENT

(As Amended and Passed by the House March 22, 1988)

Passed House, Date 4/15/88 *Passed Senate, Date 4/13/88 (p. 1514)*
Vote: Ayes _____ Nays _____ Vote: Ayes 40 Nays 8
Approved May 12, 1988 (H. V. ...)
See Below

A BILL FOR

1 An Act relating to the receipt and disbursement of support
2 payments by transferring the collection and distribution of
3 child support payment from the department of human services
4 collection services center to the district court clerks, by
5 making an exception, for federal social security payments, to
6 the statutory requirements regarding allowable payees, and by
7 providing effective dates.

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

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House Amendments _____

Conference Committee appointed 4/14/88
Senators Vasa (chair), Lloyd-Jones, Walsh, Holt & Gentleman (p. 1620)
Representatives Jay (chair), M^r Kinney, Peterson, Hester, & Hummel (p. 2000)

Passed per Conference Committee Report
House 4/16/88 (p. 2129) Senate - 4/16/88 (p. 1717)
74-16 34-10

5555 amon Sw
a.2.1

1 Section 1. Section 252D.1, subsection 3, Code 1987, is
2 amended to read as follows:
3 3. If support payments ordered under section 252A.6,
4 subsection 12, section 598.21, or section 675.25, or under a
5 comparable statute of a foreign jurisdiction, as certified to
6 the child support recovery unit established in section 252B.2,
7 are not paid to the clerk of the district court pursuant to
8 section 598.22 and become delinquent in an amount equal to the
9 payment for one month, upon application of a person entitled
10 to receive the support payments, the child support recovery
11 unit or the district court may enter an ex parte order
12 notifying the person whose income is to be assigned, of the
13 delinquent amount, of the amount of income or wages to be
14 withheld, and of the procedure to file a motion to quash the
15 order of assignment, and shall order an assignment of income
16 and notify an employer, trustee, or other payor by certified
17 mail of the order of the assignment of income requiring the
18 withholding of specified sums to be deducted from the
19 delinquent person's periodic earnings, trust income, or other
20 income sufficient to pay the support obligation and, except
21 ~~for trusts governed by the federal Retirement Equity Act of~~
22 ~~1984, Pub. L. No. 98-397~~ as provided in section 598.22,
23 requiring the payment of such sums to the clerk of the
24 district court. ~~For trusts governed by the federal Retirement~~
25 ~~Equity Act of 1984, Pub. L. No. 98-397, the assignment of~~
26 ~~income shall require the payment of such sums to the alternate~~
27 ~~payee.~~ The assignment of income is binding on an existing or
28 future employer, trustee, or other payor ten days after the
29 receipt of the order by certified mail. The amount of an
30 assignment of income shall not exceed the amount specified in
31 15 U.S.C. §1673(b). The assignment of income has priority
32 over a garnishment or an assignment for a purpose other than
33 the support of the dependents in the court order being
34 enforced. The child support recovery unit or the district
35 court, upon the application of any party, by ex parte order,

1 may modify the assignment of income on the full payment of the
2 delinquency or in an instance where the amount being withheld
3 exceeds the amount specified in 15 U.S.C. §1673(b), or may
4 revoke the assignment of income upon the termination of
5 parental rights, emancipation, death or majority of the child,
6 or upon a change of custody.

7 Sec. 2. Section 252D.6, Code 1987, is amended to read as
8 follows:

9 252D.6 ADMINISTRATION OF WAGE WITHHOLDING PROCEDURES.

10 ~~The collection-services-center, established pursuant to~~
11 ~~section-252B-13, child support recovery unit~~ is designated as
12 the public agency of the state to administer wage withholding
13 in accordance with procedure specified for keeping adequate
14 records to document, track and monitor support payments in
15 accordance with Title IV-D of the United States Social
16 Security Act.

17 Sec. 3. Section 598.22, Code 1987, is amended to read as
18 follows:

19 598.22 SUPPORT PAYMENTS -- CLERK OF COURT -- COLLECTION
20 SERVICES-CENTER--- DEFAULTS -- SECURITY.

21 ~~This-section-applies-to-all-initial-or-modified-orders-for~~
22 ~~support-entered-under-this-chapter, chapter-234, 252A, 252C,~~
23 ~~675, or any other chapter of the Code. All orders or~~
24 ~~judgments for support entered on or before March 31, 1987,~~
25 ~~entered under chapter 234, 252A, 252C, or 675 or under this~~
26 ~~chapter or any other chapter which provide for temporary or~~
27 ~~permanent support payments shall direct the payment of those~~
28 ~~sums to the clerk of the district court for the use of the~~
29 ~~person for whom the payments have been awarded. All orders or~~
30 ~~judgments for support entered on or after April 1, 1987, shall~~
31 ~~direct the payment of those sums to the collection services~~
32 ~~center established pursuant to section-252B-13. Payments to~~
33 ~~persons other than the clerk of the district court and the~~
34 ~~collection-services-center do not satisfy the support~~
35 ~~obligations created by the orders or judgments, except as~~

1 provided for trusts ~~in-section-252B-17-598-23,-or-this-section~~
2 or governed by the federal Retirement Equity Act of 1984, Pub.
3 L. No. 98-397, for tax refunds or rebates in section 602.8102,
4 subsection 47, or for payments which the child support obligor
5 has been awarded under the federal Social Security Act, and
6 which are paid to the child support obligee. For trusts
7 governed by the federal Retirement Equity Act of 1984, Pub. L.
8 No. 98-397, the assignment of income shall require the payment
9 of such sums to the alternate payee in accordance with the
10 federal Act.

11 Upon a finding of previous failure to pay child support,
12 the court may order the person obligated for permanent child
13 support to make an assignment of periodic earnings or trust
14 income to the clerk of court ~~or-the-collection-services-center~~
15 ~~established-pursuant-to-section-252B-13~~ for the use of the
16 person for whom the assignment is ordered. The assignment of
17 earnings ordered by the court shall not exceed the amounts set
18 forth in 15 U.S.C. § 1673(b)(1982). The assignment is binding
19 on the employer, trustee, or other payor of the funds two
20 weeks after service upon that person of notice that the
21 assignment has been made. The payor shall withhold from the
22 earnings or trust income payable to the person obligated the
23 amount specified in the assignment and shall transmit the
24 payments to the clerk ~~or-the-collection-services-center,-as~~
25 ~~appropriate.~~ However, for trusts governed by the federal
26 Retirement Equity Act of 1984, Pub. L. No. 98-397, the payor
27 shall transmit the payments to the alternate payee in
28 accordance with the federal Act. The payor may deduct from
29 each payment a sum not exceeding two dollars as a
30 reimbursement for costs. An employer who dismisses an
31 employee due to the entry of an assignment order commits a
32 simple misdemeanor.

33 An order or judgment entered by the court for temporary or
34 permanent support or for an assignment shall be filed with the
35 clerk. The orders have the same force and effect as judgments

1 when entered in the judgment docket and lien index and are
2 records open to the public. The clerk ~~or-the-collection~~
3 ~~services-center,-as-appropriate,~~ shall disburse the payments
4 received pursuant to the orders or judgments on the same day
5 received if applied for in person by the payee and
6 acknowledged by the payee, or otherwise within ten two working
7 days of the receipt of the payments. All moneys received or
8 disbursed under this section shall be entered in a record-book
9 computer data base kept by the clerk, ~~or-the-collection~~
10 ~~services-center,-as-appropriate,~~ which shall be open available
11 to the public. The clerk ~~or-the-collection-services-center~~
12 shall not enter any moneys paid in the record-book data base
13 if not paid directly to the clerk ~~or-the-center,-as~~
14 ~~appropriate,~~ except as provided for trusts ~~in-section-252B-1,~~
15 ~~598-23-or-this-section~~ and for federal social security
16 payments in this section, or for tax refunds or rebates in
17 section 602.8102, subsection 47. The clerk of court shall
18 forward the data to a centralized statewide data base as
19 directed by the state court administrator.

20 If the sums ordered to be paid in a support payment order
21 are not paid to the clerk ~~or-the-collection-services-center,~~
22 ~~as-appropriate,~~ at the time provided in the order or judgment,
23 the clerk ~~or-the-collection-services-center,-as-appropriate,~~
24 shall certify a default to the court which may, on its own
25 motion, proceed as provided in section 598.23.

26 Prompt payment of sums required to be paid under sections
27 598.11 and 598.21 ~~shall-be~~ is the essence of such orders or
28 judgments and the court may act pursuant to section 598.23
29 regardless of whether the amounts in default are paid prior to
30 the contempt hearing.

31 Upon entry of an order for support or upon the failure of a
32 person to make payments pursuant to an order for support, the
33 court may require the person to provide security, a bond, or
34 other guarantee which the court determines is satisfactory to
35 secure the payment of the support. Upon the person's failure

1 to pay the support under the order, the court may declare the
2 security, bond, or other guarantee forfeited.

3 Sec. 4. Section 598.23, subsection 2, paragraph a, Code
4 1987, is amended to read as follows:

5 a. Directs the defaulting party to assign trust income, or
6 a sufficient amount in salary or wages due or to become due in
7 the future from an employer or successor employers, to the
8 clerk of the district court, except as otherwise provided in
9 section 598.22 for certain trust income, federal social
10 security payments, or tax refunds or rebates, where the order
11 or judgment was granted for the purpose of paying the sums in
12 default as well as the payments to be made in the future.
13 ~~However, for trusts governed by the federal Retirement-Equity~~
14 ~~Act of 1984, Pub. L. No. 98-397, payments shall be made to the~~
15 ~~alternate payee in accordance with the federal Act.~~ If the
16 assignment is of salary or wages due, the amount assigned
17 shall not exceed the amount set forth in 15 U.S.C.
18 §1673(b)(1982) and the assignment order is binding upon the
19 employer only for those amounts that represent child support
20 and only upon receipt by the employer of a copy of the order,
21 signed by the employee. For each payment deducted in
22 compliance with the direction, the payor may deduct a sum not
23 exceeding two dollars as a reimbursement for costs.
24 Compliance by a payor with the court's order shall operate as
25 a discharge of the payor's liability to the payee as to the
26 affected portion of the payee's wages or trust income. An
27 employer who dismisses an employee due to the entry of an
28 assignment order commits a simple misdemeanor.

29 Sec. 5. The judicial department and the department of
30 human services shall establish a plan for the development of a
31 system of electronic data storage and transmission between the
32 district court clerks, the state court administrator's office,
33 and the child support recovery unit. Priority shall be given
34 to the development of the system's operation regarding child
35 support and the enforcement of temporary and permanent support

1 orders.

2 Sec. 6. REPEALS.

3 1. Sections 252B.15 through 252B.17, Code 1987, are
4 repealed.

5 2. Sections 252B.13 and 252B.14, Code Supplement 1987, are
6 repealed.

7 Sec. 7. TRANSITION. For existing orders of support
8 entered before the effective date of this Act, which direct
9 the payments of support to the collection services center, the
10 following procedure shall be implemented to convert the
11 processing of those payments to the clerks of the district
12 court on or before September 1, 1988:

13 1. The department of human services and the judicial
14 department shall establish a mutually agreed effective date,
15 between April 1, 1988 and September 1, 1988, to effectuate the
16 transfer of these functions from the collection services
17 center to each clerk of the district court. The judicial
18 department shall cause to be published in the administrative
19 bulletin a cumulative list of effective dates by county, once
20 agreed upon and determined, which list shall be final and
21 inclusive of all counties on the next date of publication
22 subsequent to September 1, 1988.

23 2. In addition, for orders of support entered before the
24 effective date of this Act, the judicial department or the
25 child support recovery unit shall notify the payee and the
26 obligor that the obligor will be directed to pay future
27 support payments to the clerk of the district court as of the
28 date provided in the notice. The notice to the obligor shall
29 be equivalent of a court order directing the payment of the
30 sums to the clerk of the district court.

31 3. The notice of the change in the direction of payments
32 shall be sent by ordinary mail to the payee's and the
33 obligor's last known addresses or the persons shall be
34 personally served with the notice in the manner provided for
35 service of an original notice at least fifteen days prior to

1 the date provided in the notice for the redirection of the
2 payments. The notice shall include all of the following:

3 a. The name of the payee and, if different in whole or
4 part, the names of the persons to whom the obligation of
5 support is owed by the obligor.

6 b. The name of the obligor.

7 c. The amount of the periodic support payment, the due
8 dates of the payments and any arrearages.

9 d. The beginning date for sending payments to the clerk of
10 the district court.

11 4. Sixty days prior to the mutually agreed effective date
12 in subsection 1, the collection services center shall transfer
13 to each clerk of the district court information regarding all
14 existing orders of support which direct the payment of support
15 to the collection services center. The form and content of
16 the transfer shall be prescribed by the judicial department
17 after consultation with the department of human services but
18 at a minimum shall include the data elements required for the
19 notice in subsection 3.

20 5. On or after the mutually agreed effective date in
21 subsection 1, but in any event not later than September 1,
22 1988, any payments received by the department of human
23 services for support or for the satisfaction of arrearages
24 shall be sent by the judicial department to the appropriate
25 clerk of the district court within ten days of receipt of the
26 payments.

27 Sec. 8. EFFECTIVE DATES. This Act, being deemed of
28 immediate importance, takes effect upon enactment. However,
29 section 6 of this Act takes effect September 1, 1988.

30 SIMILAR TO HF 2122 (LSB 7107H)

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HOUSE FILE 2452

B-5558

1 Amend House File 2452 as amended, passed, and
2 reprinted by the House as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. IMPLEMENTATION OF THE COLLECTION
6 SERVICES CENTER. Notwithstanding sections 252B.13
7 through 252B.17, the department of human services
8 shall take all of the following actions in regard to
9 the implementation of the collection services center:

10 1. The department shall not continue the
11 conversion of counties from a system of payment to the
12 clerk of the district court to one of payment to the
13 collection services center. However, the conversion
14 of orders and their payments in Linn county and Polk
15 county shall be completed by January 1, 1989. Initial
16 and modified orders or judgments for support entered
17 after April 1, 1987, orders from counties already
18 converted to the collection services center, orders
19 related to services received under sections 252B.1
20 through 252B.12, and orders where either party to the
21 order voluntarily requests conversion shall direct
22 payments to the collection services center.

23 2. The child support collection services center
24 shall complete the verification of data by re-
25 abstracting the counties which have been converted to
26 payment through the center. If any of the thirty-
27 three persons who are temporarily employed to provide
28 the abstracting complete the conversion of data in
29 Linn and Polk counties and the orders related to
30 services received under sections 252B.1 through
31 252B.12 prior to January 1, 1989, the department shall
32 seek approval from the legislative council to proceed
33 in other counties with the abstracting of order
34 information and conversion to the collection services
35 center.

36 3. Notwithstanding section 598.22 or any other
37 section which provides for temporary or permanent
38 support payments, parties who are under an order for
39 support which is unrelated to services under sections
40 252B.1 through 252B.12 may make payments to and
41 receive payments from the clerk of the district court
42 if all of the following apply:

43 a. The payor is not in arrears with a support
44 obligation which currently exists.

45 b. The parties agree to make and receive payments
46 through the clerk of the district court.

47 c. The agreement is approved by the court and
48 filed with the clerk of the district court and the
49 department. The department shall prepare a form which
50 may be used by the parties to implement such an

1 agreement.

2 Payment through the clerk of the district court
3 shall continue so long as the payor remains in good
4 standing and the order remains unrelated to chapter
5 252B services.

6 Records of payments made through the clerk of the
7 district court's office, and a copy of a new or
8 modified court order, shall be forwarded to the
9 collection services center from the clerk of the
10 district court in which payment was made or a new or
11 modified order was entered.

12 4. The department shall actively seek to correct
13 the credit rating of a person whose credit rating has
14 been adversely affected due to incorrect information
15 in the collection services center. The corrective
16 action shall be taken by the department without
17 charge, at the request of a person who believes they
18 have been adversely affected. Action by the
19 department may include personal contact with the
20 credit reporting agency, insertion of written informa-
21 tion into the record, and further tracking of
22 incorrect credit information which was submitted to
23 other parties by the credit reporting agency.

24 5. The center shall submit a report to the fiscal
25 committee of the legislative council, the legislative
26 fiscal bureau, and the directors of the majority and
27 minority legislative caucus staffs of the senate and
28 house of representatives in each month following the
29 enactment of this Act. The report shall contain all
30 of the following information:

31 a. The progress made in verifying the data in the
32 converted counties.

33 b. The time required between the time a payment is
34 received and the time funds are distributed to a
35 recipient.

36 c. The number, nature, and frequency of complaints
37 regarding the operation of the center including an
38 analysis of the sources of the complaints.

39 d. An estimate of the time and resources required
40 to complete the verification of data in the converted
41 counties, the Linn county conversion, and the Polk
42 county conversion.

43 6. As part of comprehensive legislative oversight,
44 the center, in consultation with the legislative
45 fiscal bureau, shall submit a report to the general
46 assembly on or before January 1, 1989, which evaluates
47 the operation of the center during the period
48 beginning May 1, 1988, and ending December 1, 1988.
49 The report shall include all of the following:

50 a. An assessment of the impact of the center upon

1 the payment of child support, including information
2 regarding the dollar amount collected by the child
3 support recovery unit and the dollar amount received
4 by recipients.

5 b. An assessment of the effect of the center upon
6 the percentage of payors who are making payments.

7 c. An assessment of the level of satisfaction with
8 the services of the center among payors and
9 recipients.

10 d. An assessment of the cost-effectiveness of
11 processing child support payments through the center
12 in comparison with processing through the clerks of
13 the district court.

14 e. A proposed timetable for the full
15 implementation of collection services by the center in
16 all counties.

17 f. Other information relevant to the policy
18 analysis of child support issues as requested by the
19 legislative fiscal bureau.

20 Sec. 2. Section 252B.16, unnumbered paragraph 1
21 and subsection 1, Code 1987, are amended to read as
22 follows:

23 For existing orders of support entered before April
24 1, 1987, which direct the payments of support to the
25 clerk of the district court, the following procedure
26 shall be implemented to convert the processing of
27 those payments to the collection services center on or
28 before April 1, ~~1988~~ 1989:

29 1. The department of human services and the
30 judicial department shall establish a mutually agreed
31 effective date, between April 1, 1987, and April 1,
32 ~~1988~~ 1989, to effectuate the transfer of these
33 functions from each clerk of the district court to the
34 collection services center. The department shall
35 cause to be published in the administrative bulletin a
36 cumulative list of effective dates by county, once
37 agreed upon and determined, which list shall be final
38 and inclusive of all counties on the next date of
39 publication subsequent to April 1, ~~1988~~ 1989.

40 Sec. 3. Section 252B.16, subsection 5, Code 1987,
41 is amended to read as follows:

42 5. On or after the mutually agreed effective date
43 in subsection 1, but in any event not later than April
44 1, ~~1988~~ 1989, any payments received by the clerk of
45 the district court for support or for the satisfaction
46 of arrearages shall be sent by the clerk to the
47 address specified by the collection services center
48 within ten days of receipt of the payments."

49 2. Title page, by striking lines 1 through 7 and
50 inserting the following: "An Act relating to the

SENATE 27
MARCH 25, 1988

S-5558 Page 4

1 collection services center of the department of human
2 services."

S-5558
Filed March 24, 1988
Placed o/o 4/13 (f. 1514)

BY COMMITTEE ON HUMAN RESOURCES
BEVERLY A. HANNON, Chairperson

HOUSE FILE 2452

S-5665

1 Amend the amendment, S-5558, to House File 2452 as
2 amended, passed, and reprinted by the House as
3 follows:
4 1. Page 1, by striking lines 14 and 15 and
5 inserting the following: "of orders and their
6 payments in Polk county shall commence as soon as is
7 practicable and Linn county shall be completed by
8 January 1, 1989. Initial".

S-5665
Filed March 30, 1988
Placed o/o 4/13 (f. 1514)

BY ROBERT CARR

STATE OF IOWA

FILED APR 12 1988

FISCAL NOTE

LSB No. 8418H.6

Staff ID. JMN

REQ. BY SENATOR GENTLEMAN AMENDMENT S-5947 TO HOUSE FILE 2452

In compliance with a written request received April 12, 1988, a fiscal note for AMENDMENT S-5947 TO HOUSE FILE 2452 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S-5947 to House File 2452 provides that all support payments which are currently collected and disbursed by the DHS Collection Services Center (CSC), other than cases involving services provided under Section 252B.14, shall be transferred for further processing from the CSC to the appropriate clerk of the district court on or before March 1, 1989. Support payments subject to Section 252B.14 which are not currently collected and disbursed by the CSC shall be transferred for further processing from each clerk of the district court to the CSC. Support payments subject to Section 252B.14 include those involving children in foster care, those issued under the Uniform Support of Dependents Law, those involving payors with child support debts, those involving recipients of public assistance, and those involving support for illegitimate children.

The amendment provides that parties may make payments to and receive payments from the clerk of the district court if the payor is not in arrears with a support obligation which currently exists, the parties agree to make and receive payments through the clerk of the district court, and the agreement is approved by the court and filed with the clerk of the district court and with DHS.

The amendment requires DHS to actively seek to correct the credit rating of a person whose credit rating has been adversely affected due to incorrect information in the CSC. This corrective action shall be taken upon the request of a person who believes they have been adversely affected.

DHS is required to submit a monthly report regarding the activities of the CSC to the Legislative Fiscal Committee, the Legislative Fiscal Bureau, and the directors of the caucus staffs. The Collection Services Center, in consultation with the Legislative Fiscal Bureau, is required to submit a report to the General Assembly by January 1, 1989 which evaluates the operation of the CSC and the transition to the clerks of the district court. The contents of the report are specified.

The Judicial Department is required to appoint an advisory committee to advise DHS and the Judicial Department regarding modifications of the system for processing payments of support and to review complaints concerning this system. The membership of the advisory committee is specified.

All duties of the DHS relating to the collection and disbursement of support payments by the CSC shall be transferred from the CSC to the appropriate clerk of the district court by July 1, 1991, if further action is not taken by the General Assembly.

FISCAL EFFECT:

It is estimated that there are approximately 135,000 child support cases in Iowa, and that 48% of this caseload (64,800 cases) would eventually be transferred to the DHS Collection Services Center. The remaining cases would

STATE OF IOWA

FISCAL NOTE

LSB No. 8418H.6

Staff ID. JMN

REQ. BY SENATOR GENTLEMAN

AMENDMENT S-5947 TO HOUSE FILE 2452

-2-

either be re-converted to or remain in district court clerk's offices.

The estimated cost to the Judicial Department is as follows:

Reconversion of 12,700 cases from DHS to clerks:	\$ 50,000
Additional 21.06 FTE positions and related costs:	317,545
Data processing costs for existing county systems:	400,000
Increased postage (based on 35,000 monthly payments)	105,000

Total Judicial Department Cost:	\$873,345

In addition, automating the collection and disbursement of child support through the planned Iowa Court Information System is estimated to cost an additional \$125,000 during FY 1991 to FY 1993 for enhancement of ICIS software.

The estimated cost to the Department of Human Services is as follows:

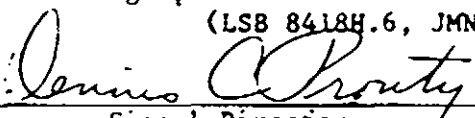
Daily operations of CSC:	\$ 794,902
Conversion of files to CSC:	410,283
Transfer of files to Judicial Department:	77,939

Total Department of Human Services Cost:	\$1,283,123

It is estimated that the State will receive \$781,830 in federal funding to offset these costs, leaving a total state DHS cost of \$501,293.

The total cost to the General Fund is estimated to be \$1,374,638 in FY 1989. Under current law, the FY 1989 cost of continuing operations of the DHS Collection Services Center is \$724,672.

(LSB 8418H.6, JMN)


 Fiscal Director
 Legislative Fiscal Bureau
 Date: 4/12/88

HOUSE FILE 2452

S-5947

1 Amend House File 2452 as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 252B.13, subsection 1, Code
6 1987, is amended to read as follows:

7 252B.13 COLLECTION SERVICES CENTER.

8 1. The department shall establish within the unit
9 a collection services center for the receipt and
10 disbursement of all support payments as defined in
11 section 598.1 required pursuant to an order for which
12 the unit is providing or has provided enforcement
13 services under this chapter. For purposes of this
14 section, child support payments do not include
15 attorney fees or court costs. The judicial department
16 and the department of human services shall cooperate
17 ~~in the establishment of the center which will receive~~
18 ~~and disburse support payments~~ transferring or
19 directing these judgments and orders for support and
20 payments to the collection services center.

21 Sec. 2. Section 252B.14, Code Supplement 1987, is
22 amended by striking the section and inserting in lieu
23 thereof the following:

24 252B.14 SUPPORT PAYMENTS -- CLERK OF COURT --
25 COLLECTION SERVICES CENTER.

26 All support payments required pursuant to orders
27 entered under chapter 234, 252A, 252C, 598, or 675, or
28 any other chapter shall be directed and processed as
29 follows:

30 1. In cases for which services are being provided
31 by the unit under this chapter, payment shall be
32 directed to the collection services center established
33 pursuant to section 252B.13. The department of human
34 services shall notify the clerk of the district court
35 if payment should be directed to the collection
36 services center and the clerk shall provide the
37 collection services center with a copy of the order.

38 2. In all other cases, payment shall be directed
39 to the clerk of the district court for the use of the
40 person for whom payments have been awarded.

41 Payments to persons other than the clerk of the
42 district court and the collection services center do
43 not satisfy the support obligations created by such
44 orders or judgments, except as provided for trusts and
45 social security income in section 252D.1, 598.22,
46 598.23, or for tax refunds or rebates in section
47 602.8102, subsection 47.

48 Sec. 3. Section 252B.16, Code 1987, is amended by
49 striking the section and inserting in lieu thereof the
50 following:

1 252B.16 CONVERSION -- PROCESSING OF SUPPORT
2 PAYMENTS.

3 All support payments which are currently collected
4 and disbursed by the collection services center, other
5 than those subject to section 252B.14, subsection 1,
6 shall be transferred for further processing from the
7 collection services center to the appropriate clerk of
8 the district court on or before March 1, 1989.

9 Support payments subject to section 252B.14,
10 subsection 1, which are not currently collected and
11 disbursed by the collection services center shall be
12 transferred for further processing from each clerk of
13 the district court to the collection services center.
14 The following procedure shall be used to transfer
15 payments:

16 1. The judicial department and the department of
17 human services shall mutually agree to dates to
18 effectuate the transfer of cases. The department of
19 human services shall cause to be published in the
20 administrative bulletin a cumulative list of effective
21 dates by county, once agreed upon and determined,
22 which list shall be final and inclusive of all
23 counties on the next date of publication subsequent to
24 March 1, 1989.

25 2. In addition, for orders of support which must
26 be transferred pursuant to this section, the
27 department of human services shall notify the payee
28 and the obligor as provided in subsections 3 and 4
29 that the obligor will be directed to pay future
30 support payments to the clerk of the district court or
31 to the collection services center as of the date
32 provided in the notice. The notice under subsection 3
33 to the obligor is the equivalent of a court order
34 directing the payment of the sums to the clerk of the
35 district court or to the collection services center. .

36 3. The notice of the change in the direction of
37 payments shall be sent by ordinary mail to the payee's
38 and the obligor's last known addresses or the persons
39 shall be personally served with the notice in the
40 manner provided for service of an original notice at
41 least fifteen days prior to the date provided in the
42 notice for the redirection of the payments. The
43 notice shall include all of the following:

44 a. The name of the payee and, if different in
45 whole or in part, the names of the persons to whom the
46 obligation of support is owed by the obligor.

47 b. The name of the obligor.

48 c. The amount of the periodic support payment, the
49 due dates of the payments, and any arrearages.

50 d. The beginning date for sending payments to the

1 clerk of the district court or to the collection
2 services center.

5948 4. In addition to the notice required in
4 subsection 3, the department shall provide notice to
5 the payee and the obligor at the time of abstracting.
6 The notice shall contain all information contained in
7 the abstract and shall be given at least ten working
8 days prior to any notice given pursuant to subsection
9 3 and shall be made in the same manner as allowed in
10 subsection 3. A person receiving such notice shall
11 have ten working days to file a written statement to
12 the effect that information contained in the abstract
13 is in whole or in part erroneous, and may request a
14 correction of that information. The department shall
15 provide the person with an opportunity for an
16 evidentiary hearing pursuant to chapter 17A to correct
17 the information, unless the department corrects the
18 information.

5949 5. Sixty days prior to the mutually agreed
20 effective date in subsection 1, the collection
21 services center and the clerk of the district court
22 shall exchange information regarding all existing
23 orders of support which require a change in the
24 direction of the payments pursuant to this section.
25 The form and content of the transfer shall be jointly
26 prescribed by the judicial department and the
27 department of human services but at a minimum shall
28 include the information required for the notice in
29 subsection 3.

30 6. Any payments received after the case has been
31 transferred under this section, shall be sent to the
32 appropriate office within two working days of receipt
33 of payments.

34 Sec. 4. Section 252D.1, subsection 3, Code 1987,
35 is amended to read as follows:

36 3. If support payments ordered under section
37 234.39, section 252A.6, subsection 12, chapter 252C,
38 section 598.21, or section 675.25, or under a
39 comparable statute of a foreign jurisdiction, as
40 certified to the child support recovery unit
41 established in section 252B.2, are not paid to the
42 clerk of the district court or the collection services
43 center pursuant to section 598.22 and become
44 delinquent in an amount equal to the payment for one
45 month, upon application of a person entitled to
46 receive the support payments, the child support
47 recovery unit or the district court may enter an ex
48 parte order notifying the person whose income is to be
49 assigned, of the delinquent amount, of the amount of
50 income or wages to be withheld, and of the procedure

1 to file a motion to quash the order of assignment, and
2 shall order an assignment of income and notify an
3 employer, trustee, or other payor by certified mail of
4 the order of the assignment of income requiring the
5 withholding of specified sums to be deducted from the
6 delinquent person's periodic earnings, trust income,
7 or other income sufficient to pay the support
8 obligation and, except ~~for trusts governed by the~~
9 ~~Federal Retirement Equity Act of 1984, Pub. L. No. 98-~~
10 ~~397 as provided in section 598.22, requiring the~~
11 ~~payment of such sums to the clerk of the district~~
12 ~~court or the collection services center. For trusts~~
13 ~~governed by the Federal Retirement Equity Act of 1984,~~
14 ~~Pub. L. No. 98-397, the assignment of income shall~~
15 ~~require the payment of such sums to the alternate~~
16 ~~payee. The assignment of income is binding on an~~
17 existing or future employer, trustee, or other payor
18 ten days after the receipt of the order by certified
19 mail. The amount of an assignment of income shall not
20 exceed the amount specified in 15 U.S.C. §1673(b).
21 The assignment of income has priority over a
22 garnishment or an assignment for a purpose other than
23 the support of the dependents in the court order being
24 enforced. The child support recovery unit or the
25 district court, upon the application of any party, by
26 ex parte order, may modify the assignment of income on
27 the full payment of the delinquency or in an instance
28 where the amount being withheld exceeds the amount
29 specified in 15 U.S.C. §1673(b), or may revoke the
30 assignment of income upon the termination of parental
31 rights, emancipation, death or majority of the child,
32 or upon a change of custody.

33 Sec. 5. Section 252D.6, Code 1987, is amended to
34 read as follows:

35 252D.6 ADMINISTRATION OF WAGE WITHHOLDING
36 PROCEDURES.

37 The collection services center, ~~established~~
38 ~~pursuant to section 252B:137, is~~ and each clerk of the
39 district court are designated as the public agency
40 entities of the state to administer wage withholding
41 in accordance with procedure specified for keeping
42 adequate records to document, track and monitor
43 support payments in accordance with Title IV-D of the
44 United States Federal Social Security Act.

45 Sec. 6. Section 598.22, unnumbered paragraph 1,
46 Code 1987, is amended to read as follows:

47 This section applies to all initial or modified
48 orders for support entered under this chapter, chapter
49 234, 252A, 252C, 675, or any other chapter of the
50 Code. All orders or judgments ~~for support entered on~~

1 ~~or before March 31, 1987~~, entered under chapter 234,
2 252A, 252C, or 675, or under this chapter or any other
3 chapter which provide for temporary or permanent
4 support payments shall direct the payment of those
5 sums to the clerk of the district court or the
6 collection services center in accordance with section
7 252B.14 for the use of the person for whom the
8 payments have been awarded. ~~All orders or judgments~~
9 ~~for support entered on or after April 17, 1987, shall~~
10 ~~direct the payment of those sums to the collection~~
11 ~~services center established pursuant to section~~
12 ~~252B.13.~~ Payments to persons other than the clerk of
13 the district court and the collection services center
14 do not satisfy the support obligations created by the
15 orders or judgments, except as provided for trusts in
16 section 252B.17-598.23, or this section or governed by
17 the federal Retirement Equity Act of 1984, Pub. L. No.
18 98-397, for tax refunds or rebates in section
19 602.8102, subsection 47, or for dependent benefits
20 paid to the child support obligee as the result of
21 benefits awarded to the child support obligor under
22 the federal Social Security Act. For trusts governed
23 by the federal Retirement Equity Act of 1984, Pub. L.
24 No. 98-397, the assignment of income shall require the
25 payment of such sums to the alternate payee in
26 accordance with the federal Act.

27 Sec. 7. Section 598.22, unnumbered paragraph 3,
28 Code 1987, is amended to read as follows:
29 An order or judgment entered by the court for
30 temporary or permanent support or for an assignment
31 shall be filed with the clerk. The orders have the
32 same force and effect as judgments when entered in the
33 judgment docket and lien index and are records open to
34 the public. The clerk or the collection services
35 center, as appropriate, shall disburse the payments
36 received pursuant to the orders or judgments within
37 ten two working days of the receipt of the payments.
38 All moneys received or disbursed under this section
39 shall be entered in a ~~record book~~ records kept by the
40 clerk, or the collection services center, as
41 appropriate, which shall be open available to the
42 public. The clerk or the collection services center
43 shall not enter any moneys paid in the record book if
44 not paid directly to the clerk or the center, as
45 appropriate, except as provided for trusts in section
46 ~~252B.17-598.23 or this section or~~ and federal social
47 security payments in this section, and for tax refunds
48 or rebates in section 602.8102, subsection 47.

49 Sec. 8. Section 598.22, unnumbered paragraph 5,
50 Code 1987, is amended to read as follows:

S-5947 Page 6

1 Prompt payment of sums required to be paid under
2 sections 598.11 and 598.21 ~~shall be~~ is the essence of
3 such orders or judgments and the court may act
4 pursuant to section 598.23 regardless of whether the
5 amounts in default are paid prior to the contempt
6 hearing.

7 Sec. 9. Section 598.23, subsection 2, paragraph a,
8 Code 1987, is amended to read as follows:

9 a. Directs the defaulting party to assign trust
10 income, or a sufficient amount in salary or wages due
11 or to become due in the future from an employer or
12 successor employers, to the clerk of the district
13 court where the order or judgment was granted or the
14 collection services center, except as otherwise
15 provided in section 598.22 for certain trust income,
16 social security payments, or tax refunds or rebates
17 for the purpose of paying the sums in default as well
18 as the payments to be made in the future. However,
19 ~~for trusts governed by the Federal Retirement Equity~~
20 ~~Act of 1984, Pub. Law No. 98-397, payments shall be~~
21 ~~made to the alternate payee in accordance with the~~
22 ~~Federal Act.~~ If the assignment is of salary or wages
23 due, the amount assigned shall not exceed the amount
24 set forth in 15 U.S.C. §1673(b)(1982) and the
25 assignment order is binding upon the employer only for
26 those amounts that represent child support and only
27 upon receipt by the employer of a copy of the order,
28 signed by the employee. For each payment deducted in
29 compliance with the direction, the payor may deduct a
30 sum not exceeding two dollars as a reimbursement for
31 costs. Compliance by a payor with the court's order
32 shall operate as a discharge of the payor's liability
33 to the payee as to the affected portion of the payee's
34 wages or trust income. An employer who dismisses an
35 employee due to the entry of an assignment order
36 commits a simple misdemeanor.

37 Sec. 10.

38 1. Notwithstanding section 598.22 or any other
39 section which provides for temporary or permanent
40 support payments, parties who are under an order for
41 support which is unrelated to services under sections
42 252B.1 through 252B.12 may make payments to and
43 receive payments from the clerk of the district court
44 if all of the following apply:

- 45 a. The payor is not in arrears with a support
- 46 obligation which currently exists.
- 47 b. The parties agree to make and receive payments
- 48 through the clerk of the district court.
- 49 c. The agreement is approved by the court and
- 50 filed with the clerk of the district court and the

5947 department. The department shall prepare a form which
2 may be used by the parties to implement such an
3 agreement.

4 Payment through the clerk of the district court
5 shall continue so long as the payor remains in good
6 standing and the order remains unrelated to chapter
7 2523 services.

5948 2. The department shall actively seek to correct
9 the credit rating of a person whose credit rating has
10 been adversely affected due to incorrect information
11 in the collection services center. The corrective
12 action shall be taken by the department without
13 charge, at the request of a person who believes they
14 have been adversely affected. Action by the
15 department may include personal contact with the
16 credit reporting agency, insertion of written informa-
17 tion into the record, and further tracking of
18 incorrect credit information which was submitted to
19 other parties by the credit reporting agency.

5949 3. The center shall submit a report to the fiscal
21 committee of the legislative council, the legislative
22 fiscal bureau, and the directors of the majority and
23 minority legislative caucus staffs of the senate and
24 house of representatives in each month following the
25 enactment of this Act. The report shall contain all
26 of the following information:

27 a. The progress made in verifying the data in the
28 converted counties.

29 b. The time required between the time a payment is
30 received and the time funds are distributed to a
31 recipient.

32 c. The number, nature, and frequency of complaints
33 regarding the operation of the center including an
34 analysis of the sources of the complaints.

5950 4. As part of comprehensive legislative oversight,
36 the center, in consultation with the legislative
37 fiscal bureau, shall submit a report to the general
38 assembly on or before January 1, 1989, which evaluates
39 the operation of the center during the period
40 beginning May 1, 1988, and ending December 1, 1988.

41 The report shall include all of the following:

42 a. An assessment of the impact of the center upon
43 the payment of child support, including information
44 regarding the dollar amount collected by the child
45 support recovery unit and the dollar amount received
by recipients.

46 b. An assessment of the effect of the center upon
47 the percentage of payors who are making payments.

48 c. An assessment of the level of satisfaction with
49 the services of the center among payors and
50

1 recipients.

2 d. An assessment of the cost-effectiveness of
3 processing child support payments through the center
4 in comparison with processing through the clerks of
5 the district court.

59685 e. A proposed timetable for the full
7 implementation of collection services by the center in
8 all counties.

5968 f. Other information relevant to the policy
10 analysis of child support issues as requested by the
11 legislative fiscal bureau.

5969 Sec. 11. The judicial department, after consulting
13 with the department of human services, shall appoint
14 an advisory committee to advise the department of
15 human services and the judicial department regarding
16 modifications of the system for processing payments of
17 support and to review complaints concerning this
18 system. The committee shall be composed of five
19 voting members, including one member representing the
20 Iowa bar association, one member representing
21 financial institutions, one member representing the
22 title examiners, one member representing the payees,
23 and one member representing the obligors. The
24 judicial department and the department of human
25 services shall also appoint one member each as ex
26 officio nonvoting members representing the
27 departments. Members of the committee shall receive
28 forty dollars per diem and actual expenses for each
29 day in the performance of their duties as members of
30 the committee.

5970 Sec. 12. Section 252B.13, Code Supplement 1987, as
32 amended by this Act, is repealed effective July 1,
33 1991.

34 Sec. 13. Notwithstanding the provisions of this
35 Act to the contrary, all duties of the department of
36 human services relating to the collection and
37 disbursement of support payments by the collection
38 services center shall be transferred from the
39 collection services center to the appropriate clerk of
40 the district court by July 1, 1991, if further action
41 is not taken by the general assembly."

S-5947

Filed April 12, 1988

A digital as amended by 5968 4/13 (p. 1513)

BY RICHARD VARN
BERL E. PRIEBE
WALLY E. HORN
LINN FUHRMAN
LEE W. HOLT
JEAN LLOYD-JONES
CHARLES BRUNER

HOUSE FILE 2452

S-5958

1 Amend the amendment, S-5947, to House File 2452, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 1, by striking line 27 and inserting the
5 following: "entered under this chapter and chapter
6 234, 252A, 252C, 598, or 675, or".

7 2. Page 2, line 3, by inserting after the word
8 "All" the following: "judgments and orders for
9 support and".

10 3. Page 2, line 9, by striking the word "Support"
11 and inserting the following: "Judgments and orders
12 for support and support".

13 4. Page 2, line 14 by inserting after the word
14 "transfer" the following: "judgments and orders for
15 support and support".

16 5. Page 3, by striking lines 15 through 30 and
17 inserting the following: "provide the person with an
18 opportunity for a review hearing pursuant to chapter
19 17A to correct the information, unless the department
20 corrects the information.

21 5. Any payments received after the case has been".

22 6. Page 5, line 20, by inserting after the word
23 "of" the following: "disability".

24 7. Page 5, line 47, by inserting after the word
25 "security" the following: "disability".

26 8. Page 6, line 16, by inserting after word
27 "security" the following: "disability".

28 9. Page 6, by striking lines 38 through 42 and
29 inserting the following:

30 "1. Notwithstanding section 252B.14, parties may
31 make payments to and".

32 10. Page 7, line 1, by striking the word
33 "department." and inserting the following:
34 "department of human services."

35 11. Page 7, line 8, by inserting after the word
36 "department" the following: "of human services".

37 12. Page 7, line 20, by inserting after the word
38 "report" the following: "regarding the activities of
39 the collection services center".

40 13. Page 7, by striking lines 36 and 37 and
41 inserting the following: "the legislative fiscal
42 bureau, in consultation with the department of human
43 services and the judicial department, shall submit a
44 report to the general".

45 14. Page 7, line 39, by inserting after the word
46 "center" the following: "and the transition to the
47 clerks of the district court".

48 15. Page 7, line 42, by inserting after the word
49 "center" the following: "and the clerks of the
50 district court".

S-5958 Page 2

- 1 16. Page 7, line 47, by inserting after the word
- 2 "center" the following: "and the clerks of the
- 3 district court".
- 4 17. Page 7, line 50, by inserting after the word
- 5 "center" the following: "and the clerks of the
- 6 district court".
- 7 18. Page 8, line 6, by striking the word "full".
- 8 19. Page 8, line 8, by inserting after the word
- 9 "counties" the following: "for cases to be processed
- 10 by the center under section 252B.14, subsection 1".
- 11 20. Page 8, by striking lines 27 through 30 and
- 12 inserting the following: "departments.
- 13 Sec. _____. Section 252B.15, Code 1987, is
- 14 repealed."
- 15 21. Renumbering as necessary.

S-5958

Filed April 12, 1988
Placed o/o 4/13 (p. 1507)

BY RICHARD VARN

HOUSE FILE 2452

S-5954

- 1 Amend amendment S-5947 to House File 2452,
- 2 as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 8, by inserting after line 30, the
- 5 following:
- 6 "Sec. _____. Any personnel in the state merit
- 7 system of employment whose position is eliminated
- 8 due to the deletion of positions in this Act shall
- 9 be placed on the outplacement list."

S-5954

Filed April 12, 1988
w/15 4/13 (p. 1508)

BY CHARLES BRUNER

JF 2320

HOUSE FILE 2452

S-5968

- 1 Amend the amendment, S-5947, to House File 2452, as
- 2 amended, passed, and reprinted by the House, as
- 3 follows:
- 4 1. Page 1, by striking line 27 and inserting the
- 5 following: "entered under this chapter and chapter
- 6 234, 252A, 252C, 598, or 675, or".
- 7 2. Page 1, line 37, by inserting after the word
- 8 "order" the following: "or judgment".
- 9 3. Page 2, line 3, by inserting after the word
- 10 "All" the following: "judgments and orders for
- 11 support and".
- 12 4. Page 3, by striking lines 15 through 30 and
- 13 inserting the following: "provide the person with an
- 14 opportunity for a review hearing to correct the
- 15 information, unless the department corrects the
- 16 information.
- 17 5. Any payments received after the case has been".
- 18 5. Page 5, line 20, by inserting after the word
- 19 "of" the following: "disability".
- 20 6. Page 5, line 47, by inserting after the word
- 21 "security" the following: "disability".
- 22 7. Page 6, line 16, by inserting after word
- 23 "security" the following: "disability".
- 24 8. Page 6, by striking lines 38 through 42 and
- 25 inserting the following:
- 26 "1. Notwithstanding section 252B.14, parties may
- 27 make payments to and".
- 28 9. Page 7, line 1, by striking the word
- 29 "department." and inserting the following:
- 30 "department of human services."
- 31 10. Page 7, line 8, by inserting after the word
- 32 "department" the following: "of human services".
- 33 11. Page 7, line 20, by inserting after the word
- 34 "report" the following: "regarding the activities of
- 35 the collection services center".
- 36 12. Page 7, by striking lines 36 and 37 and
- 37 inserting the following: "the legislative fiscal
- 38 bureau, in consultation with the department of human
- 39 services and the judicial department, shall submit a
- 40 report to the general".
- 41 13. Page 7, line 39, by inserting after the word
- 42 "center" the following: "and the transition to the
- 43 clerks of the district court".
- 44 14. Page 7, line 50, by inserting after the word
- 45 "center" the following: "and the clerks of the
- 46 district court".
- 47 15. Page 8, line 6, by striking the word "full".
16. Page 8, line 8, by inserting after the word
- "counties" the following: "for cases to be processed
- 50 by the center under section 252B.14, subsection 1".

S-5968 Page 2

- 1 17. Page 8, by inserting after line 8 the
- 2 following:
- 3 "f. A comparison of the collection services center
- 4 and the clerks of the district court."
- 5 18. Page 8, by striking lines 27 through 30 and
- 6 inserting the following: "departments.
- 7 Sec. ____ . Section 252B.15, Code 1987, is
- 8 repealed."
- 9 19. Renumbering as necessary.

S-5968

Filed April 13, 1988

ADOPTED
(p. 1507)

BY RICHARD J. VARN

HOUSE FILE 2452

S-5960

- 1 Amend amendment S-5947 to House File 2452, as
- 2 amended, passed, and reprinted by the House, as
- 3 follows:
- 4 1. Page 7, by striking lines 1 through 3 and
- 5 inserting the following: "department."
- 6 2. Page 7, by inserting after line 7 the
- 7 following:
- 8 "Notwithstanding section 252B.14, parties
- 9 may make payments to and receive payments from
- 10 the collection services center if the parties
- 11 so agree and the agreement is approved by the
- 12 court and filed with the clerk and the
- 13 department.
- 14 The department of human services shall prepare
- 15 a form or forms which may be used by the parties
- 16 to implement either type of agreement."

S-5960

Filed April 12, 1988.

w/ 4/13 (p. 1507)

BY CHARLES BRUNER

HOUSE FILE 2452

S-5971

1 Amend amendment S-5947, as amended, passed,
2 and reprinted by the House, as follows:

DIV A 3 1. Page 7, by striking lines 1 through 3
4 and inserting the following: "department."

5 2. Page 7, by inserting after line 7 the
6 following:

7 "Notwithstanding section 252B.14, parties may
8 make payments to and receive payments from the
9 collection services center if the parties so
10 agree and the agreement is approved by the court
11 and filed with the clerk and the department. In
12 addition, parties who are making payments to or
13 receiving payments from the collection services
14 center may continue to do so if the parties so
15 agree and the agreement is filed with the
16 department.

17 The department of human services shall prepare
18 a form or forms which may be used by the parties
19 to implement either type of agreement."

DIV B 20 3. Page 8, by inserting after line 30 the
21 following:

22 "Sec. _____. Any personnel in the state merit
23 system of employment whose position is eliminated
24 due to the deletion of positions in this Act
25 shall be placed on the outplacement list."

S-5971 DIV A - OUT OF ORDER (p. 1508)
Filed April 13, 1988 DIV B - ADOPTED (p. 1508)
DIV C - ADOPTED BY CHARLES BRUNER

HOUSE FILE 2452

S-5980

1 Amend the amendment, S-5947, to House File 2452, as
2 amended, passed, and reprinted by the House as
3 follows:

4 1. Page 8, by inserting after line 11, the
5 following:

6 "Sec. _____. Notwithstanding the provisions of this
7 Act, a county board of supervisors of any county may
8 petition the department of human services no later
9 than August 1, 1988, to have all support payments to
10 residents of that county processed by the collection
11 services center. If that county's support payments
12 are currently processed by the collection services
13 center, those cases shall not be transferred to the
14 clerk of the district court. If that county's support
15 payments are currently processed by the clerk of the
16 district, the department of human services and the
17 judicial department shall provide for the transfer of
18 these cases to the collection services center pursuant
19 to the conversion schedule established under section
20 252B.16."

21 2. By renumbering as necessary.

S-5980
Filed April 13, 1988 LOST BY JULIA GENTLEMAN
(p. 1513)

HOUSE FILE 2452
CONFERENCE COMMITTEE REPORT
FISCAL NOTE

In compliance with a written request received April 15, 1988, a fiscal note for the **CONFERENCE COMMITTEE REPORT ON HOUSE FILE 2452** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

The Conference Committee Report on House File 2452 amends the Senate amendment to provide that all child support cases will be transferred to the Judicial Department by July 1, 1990.

FISCAL EFFECT:

The cost to the Judicial Department in FY 1989 and FY 1990 is as follows:

	FY 1989	FY 1990
Reconversion of 12,700 cases from DHS to clerks:	\$ 50,800	\$ 0
Additional FTE positions (FY 89 14, FY 90 40.5)	211,092	610,664
Data processing costs for existing county systems:	400,000	100,000
Increased postage (based on 35,000 monthly payments)	105,000	105,000
Automation costs (ICIS software development costs)	125,000	715,750
	-----	-----
Total Judicial Department Cost	\$891,892	1,531,414

The cost to DHS in FY 1989 and FY 1990 is as follows:

	FY 1989	FY 1990
Daily operations of CSC:	\$794,902	794,902
Conversion of files to CSC:	410,283	0
Transfer of files to Judicial Department:	77,939	0
	-----	-----
Total Department of Human Services Cost:	\$1,283,124	794,902
Minus estimated federal funding:	(781,830)	(540,533)
	-----	-----
Total DHS State Cost	\$ 501,294	254,369

The total cost is estimated to be \$1,393,186 in FY 1989 and \$1,785,783 in FY 1990. Under current law, the FY 1989 cost of continuing operations of the DHS Collection Services Center is estimated to be approximately \$725,000 annually.

The proposed conference committee report creates a Child Support Collection Services Fund in the Office of the State Treasurer, funded as follows:

1. \$400,000 in funds paid to the State Racing Commission under Section 99D.14 in FY 1988,
2. \$292,000 in funds paid to the State Racing Commission in FY 1989, and
3. \$700,000 from the General Fund in FY 89.

The total funding is \$1,392,000 over the two fiscal years.

The bill appropriates \$501,000 to DHS and \$891,000 to the Judicial Department

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for FY 1989 from the Child Support Collection Services Fund. Language is included making all appropriations null and void if the Governor attempts to exercise a purported item veto. (LSB 8418h.11, CMB)

SENATE AMENDMENT TO HOUSE FILE 2452

H-6478

1 Amend House File 2452 as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 252B.13, subsection 1, Code
6 1987, is amended to read as follows:

7 252B.13 COLLECTION SERVICES CENTER.

8 1. The department shall establish within the unit
9 a collection services center for the receipt and
10 disbursement of all support payments as defined in
11 section 598.1 required pursuant to an order for which
12 the unit is providing or has provided enforcement
13 services under this chapter. For purposes of this
14 section, child support payments do not include
15 attorney fees or court costs. The judicial department
16 and the department of human services shall cooperate
17 ~~in the establishment of the center which will receive~~
18 ~~and disburse support payments transferring or~~
19 ~~directing these judgments and orders for support and~~
20 payments to the collection services center.

21 Sec. 2. Section 252B.14, Code Supplement 1987, is
22 amended by striking the section and inserting in lieu
23 thereof the following:

24 252B.14 SUPPORT PAYMENTS -- CLERK OF COURT --
25 COLLECTION SERVICES CENTER.

26 All support payments required pursuant to orders
27 entered under this chapter and chapter 234, 252A,
28 252C, 598, or 675, or any other chapter shall be
29 directed and processed as follows:

30 1. In cases for which services are being provided
31 by the unit under this chapter, payment shall be
32 directed to the collection services center established
33 pursuant to section 252B.13. The department of human
34 services shall notify the clerk of the district court
35 if payment should be directed to the collection
36 services center and the clerk shall provide the
37 collection services center with a copy of the order or
38 judgment.

39 2. In all other cases, payment shall be directed
40 to the clerk of the district court for the use of the
41 person for whom payments have been awarded.

42 Payments to persons other than the clerk of the
43 district court and the collection services center do
44 not satisfy the support obligations created by such
45 orders or judgments, except as provided for trusts and
46 social security income in section 252D.1, 598.22,
47 598.23, or for tax refunds or rebates in section
48 602.8102, subsection 47.

49 Sec. 3. Section 252B.16, Code 1987, is amended by
50 striking the section and inserting in lieu thereof the

Supplement

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Page 2

1 following:

2 252B.16 CONVERSION -- PROCESSING OF SUPPORT

3 PAYMENTS.

4 All judgments and orders for support and support
5 payments which are currently collected and disbursed
6 by the collection services center, other than those
7 subject to section 252B.14, subsection 1, shall be
8 transferred for further processing from the collection
9 services center to the appropriate clerk of the
10 district court on or before March 1, 1989. Support
11 payments subject to section 252B.14, subsection 1,
12 which are not currently collected and disbursed by the
13 collection services center shall be transferred for
14 further processing from each clerk of the district
15 court to the collection services center. The
16 following procedure shall be used to transfer
17 payments:

18 1. The judicial department and the department of
19 human services shall mutually agree to dates to
20 effectuate the transfer of cases. The department of
21 human services shall cause to be published in the
22 administrative bulletin a cumulative list of effective
23 dates by county, once agreed upon and determined,
24 which list shall be final and inclusive of all
25 counties on the next date of publication subsequent to
26 March 1, 1989.

27 2. In addition, for orders of support which must
28 be transferred pursuant to this section, the
29 department of human services shall notify the payee
30 and the obligor as provided in subsections 3 and 4
31 that the obligor will be directed to pay future
32 support payments to the clerk of the district court or
33 to the collection services center as of the date
34 provided in the notice. The notice under subsection 3
35 to the obligor is the equivalent of a court order
36 directing the payment of the sums to the clerk of the
37 district court or to the collection services center.

38 3. The notice of the change in the direction of
39 payments shall be sent by ordinary mail to the payee's
40 and the obligor's last known addresses or the persons
41 shall be personally served with the notice in the
42 manner provided for service of an original notice at
43 least fifteen days prior to the date provided in the
44 notice for the redirection of the payments. The
45 notice shall include all of the following:

46 a. The name of the payee and, if different in
47 whole or in part, the names of the persons to whom the
48 obligation of support is owed by the obligor.

49 b. The name of the obligor.

50 c. The amount of the periodic support payment, the

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1 due dates of the payments, and any arrearages.

2 d. The beginning date for sending payments to the
3 clerk of the district court or to the collection
4 services center.

5 4. In addition to the notice required in
6 subsection 3, the department shall provide notice to
7 the payee and the obligor at the time of abstracting.
8 The notice shall contain all information contained in
9 the abstract and shall be given at least ten working
10 days prior to any notice given pursuant to subsection
11 3 and shall be made in the same manner as allowed in
12 subsection 3. A person receiving such notice shall
13 have ten working days to file a written statement to
14 the effect that information contained in the abstract
15 is in whole or in part erroneous, and may request a
16 correction of that information. The department shall
17 provide the person with an opportunity for a review
18 hearing to correct the information, unless the
19 department corrects the information.

20 5. Any payments received after the case has been
21 transferred under this section, shall be sent to the
22 appropriate office within two working days of receipt
23 of payments.

24 Sec. 4. Section 252D.1, subsection 3, Code 1987,
25 is amended to read as follows:

26 3. If support payments ordered under section
27 234.39, section 252A.6, subsection 12, chapter 252C,
28 section 598.21, or section 675.25, or under a
29 comparable statute of a foreign jurisdiction, as
30 certified to the child support recovery unit
31 established in section 252B.2, are not paid to the
32 clerk of the district court or the collection services
33 center pursuant to section 598.22 and become
34 delinquent in an amount equal to the payment for one
35 month, upon application of a person entitled to
36 receive the support payments, the child support
37 recovery unit or the district court may enter an ex
38 parte order notifying the person whose income is to be
39 assigned, of the delinquent amount, of the amount of
40 income or wages to be withheld, and of the procedure
41 to file a motion to quash the order of assignment, and
42 shall order an assignment of income and notify an
43 employer, trustee, or other payor by certified mail of
44 the order of the assignment of income requiring the
45 withholding of specified sums to be deducted from the
46 delinquent person's periodic earnings, trust income,
47 or other income sufficient to pay the support
48 obligation and, ~~except for trusts governed by the~~
49 ~~federal Retirement Equity Act of 1984, Pub. L. No. 98-~~
50 397 as provided in section 598.22, requiring the

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1 payment of such sums to the clerk of the district
2 court or the collection services center. ~~For trusts~~
3 ~~governed by the federal Retirement Equity Act of 1984,~~
4 ~~Pub. L. No. 98-397, the assignment of income shall~~
5 ~~require the payment of such sums to the alternate~~
6 ~~payee.~~ The assignment of income is binding on an
7 existing or future employer, trustee, or other payor
8 ten days after the receipt of the order by certified
9 mail. The amount of an assignment of income shall not
10 exceed the amount specified in 15 U.S.C. }1673(b).
11 The assignment of income has priority over a
12 garnishment or an assignment for a purpose other than
13 the support of the dependents in the court order being
14 enforced. The child support recovery unit or the
15 district court, upon the application of any party, by
16 ex parte order, may modify the assignment of income on
17 the full payment of the delinquency or in an instance
18 where the amount being withheld exceeds the amount
19 specified in 15 U.S.C. }1673(b), or may revoke the
20 assignment of income upon the termination of parental
21 rights, emancipation, death or majority of the child,
22 or upon a change of custody.

23 Sec. 5. Section 252D.6, Code 1987, is amended to
24 read as follows:

25 252D.6 ADMINISTRATION OF WAGE WITHHOLDING
26 PROCEDURES.

27 The collection services center, ~~established~~
28 ~~pursuant to section 252B.13, is~~ and each clerk of the
29 ~~district court are designated as the public agency~~
30 ~~entities of the state to administer wage withholding~~
31 ~~in accordance with procedure specified for keeping~~
32 ~~adequate records to document, track and monitor~~
33 ~~support payments in accordance with Title IV-D of the~~
34 ~~United States federal Social Security Act.~~

35 Sec. 6. Section 598.22, unnumbered paragraph 1,
36 Code 1987, is amended to read as follows:

37 This section applies to all initial or modified
38 orders for support entered under this chapter, chapter
39 234, 252A, 252C, 675, or any other chapter of the
40 Code. All orders or judgments ~~for support entered on~~
41 ~~or before March 31, 1987, entered under chapter 234,~~
42 ~~252A, 252C, or 675, or under this chapter or any other~~
43 ~~chapter which provide for temporary or permanent~~
44 ~~support payments shall direct the payment of those~~
45 ~~sums to the clerk of the district court or the~~
46 ~~collection services center in accordance with section~~
47 ~~252B.14 for the use of the person for whom the~~
48 ~~payments have been awarded. All orders or judgments~~
49 ~~for support entered on or after April 17, 1987, shall~~
50 ~~direct the payment of those sums to the collection~~

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1 ~~services-center-established-pursuant-to-section~~
2 ~~252B-13-~~ Payments to persons other than the clerk of
3 the district court and the collection services center
4 do not satisfy the support obligations created by the
5 orders or judgments, except as provided for trusts in
6 ~~section-252B-17-598-237-or-this-section-or~~ governed by
7 the federal Retirement Equity Act of 1984, Pub. L. No.
8 98-397, for tax refunds or rebates in section
9 602.8102, subsection 47, or for dependent benefits
10 paid to the child support obligee as the result of
11 disability benefits awarded to the child support
12 obligor under the federal Social Security Act. For
13 trusts governed by the federal Retirement Equity Act
14 of 1984, Pub. L. No. 98-397, the assignment of income
15 shall require the payment of such sums to the
16 alternate payee in accordance with the federal Act.

17 Sec. 7. Section 598.22, unnumbered paragraph 3,
18 Code 1987, is amended to read as follows:

19 An order or judgment entered by the court for
20 temporary or permanent support or for an assignment
21 shall be filed with the clerk. The orders have the
22 same force and effect as judgments when entered in the
23 judgment docket and lien index and are records open to
24 the public. The clerk or the collection services
25 center, as appropriate, shall disburse the payments
26 received pursuant to the orders or judgments within
27 ~~ten~~ two working days of the receipt of the payments.
28 All moneys received or disbursed under this section
29 shall be entered in a ~~record-book~~ records kept by the
30 clerk, or the collection services center, as
31 appropriate, which shall be open available to the
32 public. The clerk or the collection services center
33 shall not enter any moneys paid in the record book if
34 not paid directly to the clerk or the center, as
35 appropriate, except as provided for trusts in ~~section~~
36 ~~252B-17-598-23-or-this-section-or~~ and federal social
37 security disability payments in this section, and for
38 tax refunds or rebates in section 602.8102, subsection
39 47.

40 Sec. 8. Section 598.22, unnumbered paragraph 5,
41 Code 1987, is amended to read as follows:

42 Prompt payment of sums required to be paid under
43 sections 598.11 and 598.21 ~~shall-be~~ is the essence of
44 such orders or judgments and the court may act
45 pursuant to section 598.23 regardless of whether the
46 amounts in default are paid prior to the contempt
47 hearing.

48 Sec. 9. Section 598.23, subsection 2, paragraph a,
49 Code 1987, is amended to read as follows:

50 a. Directs the defaulting party to assign trust

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1 income, or a sufficient amount in salary or wages due
2 or to become due in the future from an employer or
3 successor employers, to the clerk of the district
4 court where the order or judgment was granted or the
5 collection services center, except as otherwise
6 provided in section 598.22 for certain trust income,
7 social security disability payments, or tax refunds or
8 rebates for the purpose of paying the sums in default
9 as well as the payments to be made in the future.
10 ~~However, for trusts governed by the federal Retirement~~
11 ~~Equity Act of 1984, Pub. L. No. 98-397, payments~~
12 ~~shall be made to the alternate payee in accordance~~
13 ~~with the federal Act.~~ If the assignment is of salary
14 or wages due, the amount assigned shall not exceed the
15 amount set forth in 15 U.S.C. }1673(b)(1982) and the
16 assignment order is binding upon the employer only for
17 those amounts that represent child support and only
18 upon receipt by the employer of a copy of the order,
19 signed by the employee. For each payment deducted in
20 compliance with the direction, the payor may deduct a
21 sum not exceeding two dollars as a reimbursement for
22 costs. Compliance by a payor with the court's order
23 shall operate as a discharge of the payor's liability
24 to the payee as to the affected portion of the payee's
25 wages or trust income. An employer who dismisses an
26 employee due to the entry of an assignment order
27 commits a simple misdemeanor.

28 Sec. 10.

29 1. Notwithstanding section 252B.14, parties may
30 make payments to and receive payments from the clerk
31 of the district court if all of the following apply:
32 a. The payor is not in arrears with a support
33 obligation which currently exists.
34 b. The parties agree to make and receive payments
35 through the clerk of the district court.
36 c. The agreement is approved by the court and
37 filed with the clerk of the district court and the
38 department of human services. The department shall
39 prepare a form which may be used by the parties to
40 implement such an agreement.
41 Payment through the clerk of the district court
42 shall continue so long as the payor remains in good
43 standing and the order remains unrelated to chapter
44 252B services.

45 Notwithstanding section 252B.14, parties may make
46 payments to and receive payments from the collection
47 services center if the parties so agree and the
48 agreement is approved by the court and filed with the
49 clerk and the department. In addition, parties who
50 are making payments to or receiving payments from the

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1 collection services center may continue to do so if
2 the parties so agree and the agreement is filed with
3 the department.

4 The department of human services shall prepare a
5 form or forms which may be used by the parties to
6 implement either type of agreement.

7 2. The department of human services shall actively
8 seek to correct the credit rating of a person whose
9 credit rating has been adversely affected due to
10 incorrect information in the collection services
11 center. The corrective action shall be taken by the
12 department without charge, at the request of a person
13 who believes they have been adversely affected.

14 Action by the department may include personal contact
15 with the credit reporting agency, insertion of written
16 information into the record, and further tracking of
17 incorrect credit information which was submitted to
18 other parties by the credit reporting agency.

19 3. The center shall submit a report regarding the
20 activities of the collection services center to the
21 fiscal committee of the legislative council, the
22 legislative fiscal bureau, and the directors of the
23 majority and minority legislative caucus staffs of the
24 senate and house of representatives in each month
25 following the enactment of this Act. The report shall
26 contain all of the following information:

27 a. The progress made in verifying the data in the
28 converted counties.

29 b. The time required between the time a payment is
30 received and the time funds are distributed to a
31 recipient.

32 c. The number, nature, and frequency of complaints
33 regarding the operation of the center including an
34 analysis of the sources of the complaints.

35 4. As part of comprehensive legislative oversight,
36 the legislative fiscal bureau, in consultation with
37 the department of human services and the judicial
38 department, shall submit a report to the general
39 assembly on or before January 1, 1989, which evaluates
40 the operation of the center and the transition to the
41 clerks of the district court during the period
42 beginning May 1, 1988, and ending December 1, 1988.

43 The report shall include all of the following:

44 a. An assessment of the impact of the center upon
45 the payment of child support, including information
46 regarding the dollar amount collected by the child
47 support recovery unit and the dollar amount received
48 by recipients.

49 b. An assessment of the effect of the center upon
50 the percentage of payors who are making payments.

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1 c. An assessment of the level of satisfaction with
2 the services of the center and the clerks of the
3 district court among payors and recipients.

4 d. An assessment of the cost-effectiveness of
5 processing child support payments through the center
6 in comparison with processing through the clerks of
7 the district court.

8 e. A proposed timetable for the implementation of
9 collection services by the center in all counties for
10 cases to be processed by the center under section
11 252B.14, subsection 1.

12 f. A comparison of the collection services center
13 and the clerks of the district court.

14 g. Other information relevant to the policy
15 analysis of child support issues as requested by the
16 legislative fiscal bureau.

17 Sec. 11. The judicial department, after consulting
18 with the department of human services, shall appoint
19 an advisory committee to advise the department of
20 human services and the judicial department regarding
21 modifications of the system for processing payments of
22 support and to review complaints concerning this
23 system. The committee shall be composed of five
24 voting members, including one member representing the
25 Iowa bar association, one member representing
26 financial institutions, one member representing the
27 title examiners, one member representing the payees,
28 and one member representing the obligors. The
29 judicial department and the department of human
30 services shall also appoint one member each as ex
31 officio nonvoting members representing the
32 departments.

33 Sec. _____. Section 252B.15, Code 1987, is repealed.

34 Sec. _____. Any personnel in the state merit system
35 of employment whose position is eliminated due to the
36 deletion of positions in this Act shall be placed on
37 the outplacement list.

38 Sec. 12. Section 252B.13, Code Supplement 1987, as
39 amended by this Act, is repealed effective July 1,
40 1991.

41 Sec. 13. Notwithstanding the provisions of this
42 Act to the contrary, all duties of the department of
43 human services relating to the collection and
44 disbursement of support payments by the collection
45 services center shall be transferred from the
46 collection services center to the appropriate clerk of
47 the district court by July 1, 1991, if further action
48 is not taken by the general assembly."

RECEIVED FROM THE SENATE

H-6478 FILED APRIL 14, 1988

REFUSED TO CONCUR (p. 1977)

Senate inserted 4/14 (p. 1618)

as a result

STATE OF IOWA

LSB No. 8418h.11
Staff ID. JMN

FILED APR 16 1988 FISCAL NOTE

CONFERENCE COMMITTEE REPORT ON HOUSE FILE 2452

In compliance with a written request received April 15, 1988, a fiscal note for the CONFERENCE COMMITTEE REPORT ON HOUSE FILE 2452 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

The Conference Committee Report on House File 2452 amends the Senate amendment to provide that all child support cases will be transferred to the Judicial Department by July 1, 1990.

FISCAL EFFECT:

The cost to the Judicial Department in FY 1989 and FY 1990 is as follows:

	FY 1989	FY 1990
Reconversion of 12,700 cases from DHS to clerks:	\$ 50,800	\$ 0
Additional FTE positions (FY 89 14, FY 90 40.5)	211,092	610,664
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Total Judicial Department Cost	\$891,892	1,531,414

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2. \$292,000 in funds paid to the State Racing Commission in FY 1989, and
3. \$700,000 from the General Fund in FY 89.

The total funding is \$1,392,000 over the two fiscal years.

The bill appropriates \$501,000 to DHS and \$891,000 to the Judicial Department

STATE OF IOWA

FISCAL NOTE

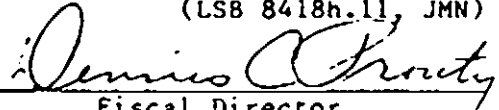
LSB No. 8418h.11
Staff ID. JMN

CONFERENCE COMMITTEE REPORT ON HOUSE FILE 2452

-2-

for FY 1989 from the Child Support Collection Services Fund. Language is included making all appropriations null and void if the Governor attempts to execute a purported item veto.

(LSB 8418h.11, JMN)



Fiscal Director

Legislative Fiscal Bureau

Date: 4/15/88

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 2452

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 2452, a bill for An Act relating to the receipt and disbursement of support payments by transferring the collection and distribution of child support payment from the department of human services collection services center to the district court clerks, by making an exception, for federal social security payments, to the statutory requirements regarding allowable payees, and by providing effective dates, respectfully make the following report:

1. That the Senate amendment, H-6478, to House File 2452 as amended, passed, and reprinted by the House, is amended as follows:

1. Page 1, line 5, by inserting after the word "Code" the following: "Supplement".

2. Page 1, line 13, by inserting after the word "services" the following: "on or after July 1, 1988".

3. Page 1, line 47, by striking the figure "598,23" and inserting the following: "or 598.23".

4. By striking page 6, line 29 through page 7, line 6.

5. Page 7, line 19, by inserting after the word "center" the following: "and the judicial department".

6. Page 7, line 20, by inserting after the word "center" the following: "and the clerks of the district court".

7. Page 7, line 33, by inserting after the word "center" the following: "and the activities of the clerks of the district court".

8. Page 8, by striking lines 8 through 11.

9. Page 8, by striking lines 36 and 37 and inserting the

following: "deletion of positions as a result of this Act shall be placed on the outplacement list. The judicial department shall have the authority to employ any personnel whose position is eliminated due to the deletion of positions as a result of this Act."

10. Page 8, line 40, by striking the figure "1991" and inserting the following: "1990".

11. Page 8, line 47, by striking the figure "1991" and inserting the following: "1990".

12. Page 8, by inserting after line 48 the following:

"The judicial department and the department of human services shall mutually agree to dates to effectuate the transfer of cases. The department of human services shall cause to be published in the administrative bulletin a cumulative list of effective dates by county, once agreed upon and determined, which list shall be final and inclusive of all counties on the next date of publication subsequent to March 1, 1990. The court shall provide for the automated access of data and automated transfers of moneys by the child support recovery unit necessary for carrying out the unit's duties. The court shall also examine, in a plan for any computerized system, the potential for including the use of the electronic transmission of funds as a method of payment satisfying any support obligation.

Sec. 100. CHILD SUPPORT COLLECTION SERVICES FUND -- APPROPRIATIONS.

1. A child support collection services fund is created in the office of the treasurer of state consisting of all revenues appropriated to the fund by the general assembly and other revenues and moneys as designated to be deposited in the fund.

2. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 3 and 4, there is transferred for the fiscal year beginning July 1, 1987, and ending June 30, 1988, notwithstanding sections 99D.17 and 99D.18, from funds paid to the state racing commission pursuant to section 99D.14, four

hundred thousand (400,000) dollars, to be deposited in the child support collection services fund. Notwithstanding section 8.33, funds transferred pursuant to this subsection shall not revert but shall be subject to expenditure from the child support collection services fund during the fiscal year ending June 30, 1989.

3. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 4, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the general fund of the state, seven hundred thousand (700,000) dollars, and notwithstanding sections 99D.17 and 99D.18, there is transferred from funds paid to the state racing commission pursuant to section 99D.14, two hundred ninety-two thousand (292,000) dollars, to be deposited in the child support collection services fund.

4. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 3, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the child support collection services fund, five hundred one thousand (501,000) dollars, or so much thereof as is necessary, to the department of human services for the operation of the collection services center established pursuant to section 252B.13, and eight hundred ninety-one thousand (891,000) dollars, or so much thereof as is necessary, to the judicial department to be used for the receipt and disbursement of support payments as provided in chapter 252B.

5. The general assembly declares that the entire one million three hundred ninety-two thousand (1,392,000) dollars appropriated in this section shall be spent as set out in this section. If the governor attempts to execute a purported item veto pursuant to Article III, Section 16 of the Constitution of the State of Iowa, this entire section and all appropriations in this section shall be null and void. Each subsection in this section is part of a unified plan and

program and the attempted removal of any subsection will destroy the whole, and each subsection is a qualification, limitation, and condition of every other subsection and of all appropriations in this section.

Sec. 200. 1988 Iowa Acts, House File 209, is repealed.

Sec. ____ Sections 100 and 200 of this Act, being deemed of immediate importance, are effective upon enactment."

13. Title page, line 6, by inserting after the word "payees," the following: "by providing appropriations,".

14. By renumbering and relettering as necessary.

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

DANIEL JAY, Chairperson

RICHARD VARN, Chairperson

JOAN HESTER

JULIA GENTLEMAN

MARY LUNDBY

LEE HOLT

WAYNE MCKINNEY

JEAN LLOYD-JONES

MICHAEL PETERSON

JOE WELSH

House adopted 4/16 (p. 2127)

Senate adopted 4/16 (p. 1717)

CCR 2452

mj/jw/5.2



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

May 12, 1988

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2452, an act relating to the receipt and disbursement of support payments by transferring the collection and distribution of child support payment from the department of human services collection services center to the district court clerks, by making an exception, for federal social security payments, to the statutory requirements regarding allowable payees, by providing appropriations, and by providing effective dates.

House File 2452 is approved with the following exception which I hereby disapprove.

I am unable to approve the item designated as Section 16, subsection 5, in its entirety.

House File 2452 deals with child support collection services and provides that the Department of Human Services shall continue to provide for centralized child support collection services for Aid to Dependent Children (ADC) recipients with the remaining collection services to be provided by the clerks court. While I am concerned about the additional costs of this transfer, I believe this modification is understandable and not inappropriate, given the past startup problems associated with the state centralized collection service system.

However, subsection 5 of Section 16 is an attempt by the General Assembly to statutorily delimit the Governor's constitutional line item veto authority and, as a result, cannot be approved.

The Honorable Elaine Baxter
May 12, 1988
Page 2

This subsection includes legislative dicta to the effect that individual appropriations included in the bill are considered part of the unified whole and, purportedly, cannot be subject to the Governor's line item veto authority. I have some concerns about the funding mechanism used in this bill -- this ongoing program is funded with one-time Racing Commission dollars that had been set aside for another purpose. Nevertheless, I understand that the legislature had no other source of funds available to finance the transfer of a portion of the child support collection services to the judicial department and I have, therefore, approved those appropriation items.

However, when the legislature attempts to define the Constitution by statute, it is clearly exceeding its authority. We have a time honored tradition in this country of judicial review. That means the court, not the legislature, decides what is constitutional and what is not. Indeed, in a recent decision, Junkins v. Branstad, Case No. 86-1740 (filed March 16, 1988), the court strongly reaffirmed the principle that it is the court, not the legislature, that decides the meaning of the Constitution.

Therefore, in subsection 5, the legislature is clearly invading the power of the judicial branch to construe the law and the power of the executive branch to carry it out.

For the above reasons, I hereby respectfully disapprove this item in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File 2452 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 2452

AN ACT

RELATING TO THE RECEIPT AND DISBURSEMENT OF SUPPORT PAYMENTS BY TRANSFERRING THE COLLECTION AND DISTRIBUTION OF CHILD SUPPORT PAYMENT FROM THE DEPARTMENT OF HUMAN SERVICES COLLECTION SERVICES CENTER TO THE DISTRICT COURT CLERKS, BY MAKING AN EXCEPTION, FOR FEDERAL SOCIAL SECURITY PAYMENTS, TO THE STATUTORY REQUIREMENTS REGARDING ALLOWABLE PAYEES, BY PROVIDING APPROPRIATIONS, AND BY PROVIDING EFFECTIVE DATES.

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

Section 1. Section 252B.13, subsection 1, Code Supplement 1987, is amended to read as follows:

252B.13 COLLECTION SERVICES CENTER.

1. The department shall establish within the unit a collection services center for the receipt and disbursement of all support payments as defined in section 598.1 required pursuant to an order for which the unit is providing or has provided enforcement services on or after July 1, 1988 under this chapter. For purposes of this section, child support payments do not include attorney fees or court costs. The judicial department and the department of human services shall cooperate in the establishment of the center which will receive and disburse support payments transferring or directing these judgments and orders for support and payments to the collection services center.

Sec. 2. Section 252B.14, Code Supplement 1987, is amended by striking the section and inserting in lieu thereof the following:

252B.14 SUPPORT PAYMENTS -- CLERK OF COURT -- COLLECTION SERVICES CENTER.

All support payments required pursuant to orders entered under this chapter and chapter 234, 252A, 252C, 598, or 675, or any other chapter shall be directed and processed as

follows:

1. In cases for which services are being provided by the unit under this chapter, payment shall be directed to the collection services center established pursuant to section 252B.13. The department of human services shall notify the clerk of the district court if payment should be directed to the collection services center and the clerk shall provide the collection services center with a copy of the order or judgment.

2. In all other cases, payment shall be directed to the clerk of the district court for the use of the person for whom payments have been awarded.

Payments to persons other than the clerk of the district court and the collection services center do not satisfy the support obligations created by such orders or judgments, except as provided for trusts and social security income in section 252D.1, 598.22, or 598.23, or for tax refunds or rebates in section 602.8102, subsection 47.

Sec. 3. Section 252B.16, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

252B.16 CONVERSION -- PROCESSING OF SUPPORT PAYMENTS.

All judgments and orders for support and support payments which are currently collected and disbursed by the collection services center, other than those subject to section 252B.14, subsection 1, shall be transferred for further processing from the collection services center to the appropriate clerk of the district court on or before March 1, 1989. Support payments subject to section 252B.14, subsection 1, which are not currently collected and disbursed by the collection services center shall be transferred for further processing from each clerk of the district court to the collection services center. The following procedure shall be used to transfer payments:

1. The judicial department and the department of human services shall mutually agree to dates to effectuate the transfer of cases. The department of human services shall cause to be published in the administrative bulletin a

Vetoed: Section 16, subsection 5

cumulative list of effective dates by county, once agreed upon and determined, which list shall be final and inclusive of all counties on the next date of publication subsequent to March 1, 1989.

2. In addition, for orders of support which must be transferred pursuant to this section, the department of human services shall notify the payee and the obligor as provided in subsections 3 and 4 that the obligor will be directed to pay future support payments to the clerk of the district court or to the collection services center as of the date provided in the notice. The notice under subsection 3 to the obligor is the equivalent of a court order directing the payment of the sums to the clerk of the district court or to the collection services center.

3. The notice of the change in the direction of payments shall be sent by ordinary mail to the payee's and the obligor's last known addresses or the persons shall be personally served with the notice in the manner provided for service of an original notice at least fifteen days prior to the date provided in the notice for the redirection of the payments. The notice shall include all of the following:

- a. The name of the payee and, if different in whole or in part, the names of the persons to whom the obligation of support is owed by the obligor.
- b. The name of the obligor.
- c. The amount of the periodic support payment, the due dates of the payments, and any arrearages.
- d. The beginning date for sending payments to the clerk of the district court or to the collection services center.

4. In addition to the notice required in subsection 3, the department shall provide notice to the payee and the obligor at the time of abstracting. The notice shall contain all information contained in the abstract and shall be given at least ten working days prior to any notice given pursuant to subsection 3 and shall be made in the same manner as allowed in subsection 3. A person receiving such notice shall have

ten working days to file a written statement to the effect that information contained in the abstract is in whole or in part erroneous, and may request a correction of that information. The department shall provide the person with an opportunity for a review hearing to correct the information, unless the department corrects the information.

5. Any payments received after the case has been transferred under this section, shall be sent to the appropriate office within two working days of receipt of payments.

Sec. 4. Section 252D.1, subsection 3, Code 1987, is amended to read as follows:

3. If support payments ordered under section 234.39, section 252A.6, subsection 12, chapter 252C, section 598.21, or section 675.25, or under a comparable statute of a foreign jurisdiction, as certified to the child support recovery unit established in section 252B.2, are not paid to the clerk of the district court or the collection services center pursuant to section 598.22 and become delinquent in an amount equal to the payment for one month, upon application of a person entitled to receive the support payments, the child support recovery unit or the district court may enter an ex parte order notifying the person whose income is to be assigned, of the delinquent amount, of the amount of income or wages to be withheld, and of the procedure to file a motion to quash the order of assignment, and shall order an assignment of income and notify an employer, trustee, or other payor by certified mail of the order of the assignment of income requiring the withholding of specified sums to be deducted from the delinquent person's periodic earnings, trust income, or other income sufficient to pay the support obligation and, except ~~for trusts governed by the Federal Retirement Equity Act of 1984; Pub. L. No. 98-397~~ as provided in section 598.22, requiring the payment of such sums to the clerk of the district court or the collection services center. ~~For trusts governed by the Federal Retirement Equity Act of 1984; Pub. L.~~

~~No. 98-397, the assignment of income shall require the payment of such sums to the alternate payee.~~ The assignment of income is binding on an existing or future employer, trustee, or other payor ten days after the receipt of the order by certified mail. The amount of an assignment of income shall not exceed the amount specified in 15 U.S.C. §1673(b). The assignment of income has priority over a garnishment or an assignment for a purpose other than the support of the dependents in the court order being enforced. The child support recovery unit or the district court, upon the application of any party, by ex parte order, may modify the assignment of income on the full payment of the delinquency or in an instance where the amount being withheld exceeds the amount specified in 15 U.S.C. §1673(b), or may revoke the assignment of income upon the termination of parental rights, emancipation, death or majority of the child, or upon a change of custody.

Sec. 5. Section 252D.6, Code 1987, is amended to read as follows:

252D.6 ADMINISTRATION OF WAGE WITHHOLDING PROCEDURES.

The collection services center ~~established pursuant to section 252B.13~~ is and each clerk of the district court are designated as the public-agency entities of the state to administer wage withholding in accordance with procedure specified for keeping adequate records to document, track and monitor support payments in accordance with Title IV-D of the United States federal Social Security Act.

Sec. 6. Section 598.22, unnumbered paragraph 1, Code 1987, is amended to read as follows:

This section applies to all initial or modified orders for support entered under this chapter, chapter 234, 252A, 252C, 675, or any other chapter of the Code. All orders or judgments ~~for support entered on or before March 31, 1987, entered under chapter 234, 252A, 252C, or 675, or under this chapter or any other chapter which provide for temporary or permanent support payments~~ shall direct the payment of those

sums to the clerk of the district court or the collection services center in accordance with section 252B.14 for the use of the person for whom the payments have been awarded. ~~All orders or judgments for support entered on or after April 1, 1987, shall direct the payment of those sums to the collection services center established pursuant to section 252B.13.~~ Payments to persons other than the clerk of the district court and the collection services center do not satisfy the support obligations created by the orders or judgments, except as provided for trusts ~~in section 252B.13-598.23~~ or this section or governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, for tax refunds or rebates in section 602.8102, subsection 47, or for dependent benefits paid to the child support obligee as the result of disability benefits awarded to the child support obligor under the federal Social Security Act. For trusts governed by the federal Retirement Equity Act of 1984, Pub. L. No. 98-397, the assignment of income shall require the payment of such sums to the alternate payee in accordance with the federal Act.

Sec. 7. Section 598.22, unnumbered paragraph 3, Code 1987, is amended to read as follows:

An order or judgment entered by the court for temporary or permanent support or for an assignment shall be filed with the clerk. The orders have the same force and effect as judgments when entered in the judgment docket and lien index and are records open to the public. The clerk or the collection services center, as appropriate, shall disburse the payments received pursuant to the orders or judgments within ten two working days of the receipt of the payments. All moneys received or disbursed under this section shall be entered in a record-book records kept by the clerk, or the collection services center, as appropriate, which shall be open available to the public. The clerk or the collection services center shall not enter any moneys paid to the record book if not paid directly to the clerk or the center, as appropriate, except as provided for trusts ~~in section 252B.13-598.23~~ or this section

or and federal social security disability payments in this section, and for tax refunds or rebates in section 602.8102, subsection 47.

Sec. 8. Section 598.22, unnumbered paragraph 5, Code 1987, is amended to read as follows:

Prompt payment of sums required to be paid under sections 598.11 and 598.21 shall be is the essence of such orders or judgments and the court may act pursuant to section 598.23 regardless of whether the amounts in default are paid prior to the contempt hearing.

Sec. 9. Section 598.23, subsection 2, paragraph a, Code 1987, is amended to read as follows:

a. Directs the defaulting party to assign trust income, or a sufficient amount in salary or wages due or to become due in the future from an employer or successor employers, to the clerk of the district court where the order or judgment was granted or the collection services center, except as otherwise provided in section 598.22 for certain trust income, social security disability payments, or tax refunds or rebates for the purpose of paying the sums in default as well as the payments to be made in the future. ~~However, for trusts governed by the federal Retirement Equity Act of 1984, Pub. Law No. 98-397, payments shall be made to the alternate payee in accordance with the federal Act.~~ If the assignment is of salary or wages due, the amount assigned shall not exceed the amount set forth in 15 U.S.C. §1673(b)(1982) and the assignment order is binding upon the employer only for those amounts that represent child support and only upon receipt by the employer of a copy of the order, signed by the employee. For each payment deducted in compliance with the direction, the payor may deduct a sum not exceeding two dollars as a reimbursement for costs. Compliance by a payor with the court's order shall operate as a discharge of the payor's liability to the payee as to the affected portion of the payee's wages or trust income. An employer who dismisses an employee due to the entry of an assignment order commits a simple misdemeanor.

Sec. 10.

1. The department of human services shall actively seek to correct the credit rating of a person whose credit rating has been adversely affected due to incorrect information in the collection services center. The corrective action shall be taken by the department without charge, at the request of a person who believes they have been adversely affected. Action by the department may include personal contact with the credit reporting agency, insertion of written information into the record, and further tracking of incorrect credit information which was submitted to other parties by the credit reporting agency.

2. The center and the judicial department shall submit a report regarding the activities of the collection services center and the clerks of the district court to the fiscal committee of the legislative council, the legislative fiscal bureau, and the directors of the majority and minority legislative caucus staffs of the senate and house of representatives in each month following the enactment of this Act. The report shall contain all of the following information:

a. The progress made in verifying the data in the converted counties.

b. The time required between the time a payment is received and the time funds are distributed to a recipient.

c. The number, nature, and frequency of complaints regarding the operation of the center and the activities of the clerks of the district court including an analysis of the sources of the complaints.

3. As part of comprehensive legislative oversight, the legislative fiscal bureau, in consultation with the department of human services and the judicial department, shall submit a report to the general assembly on or before January 1, 1989, which evaluates the operation of the center and the transition to the clerks of the district court during the period beginning May 1, 1988, and ending December 1, 1988. The report shall include all of the following:

a. An assessment of the impact of the center upon the payment of child support, including information regarding the dollar amount collected by the child support recovery unit and the dollar amount received by recipients.

b. An assessment of the effect of the center upon the percentage of payors who are making payments.

c. An assessment of the level of satisfaction with the services of the center and the clerks of the district court among payors and recipients.

d. An assessment of the cost-effectiveness of processing child support payments through the center in comparison with processing through the clerks of the district court.

e. A comparison of the collection services center and the clerks of the district court.

f. Other information relevant to the policy analysis of child support issues as requested by the legislative fiscal bureau.

Sec. 11. The judicial department, after consulting with the department of human services, shall appoint an advisory committee to advise the department of human services and the judicial department regarding modifications of the system for processing payments of support and to review complaints concerning this system. The committee shall be composed of five voting members, including one member representing the Iowa bar association, one member representing financial institutions, one member representing the title examiners, one member representing the payees, and one member representing the obligors. The judicial department and the department of human services shall also appoint one member each as ex officio nonvoting members representing the departments.

Sec. 12. Section 252B.15, Code 1987, is repealed.

Sec. 13. Any personnel in the state merit system of employment whose position is eliminated due to the deletion of positions as a result of this Act shall be placed on the outplacement list. The judicial department may provide information regarding positions available as a result of the

transition from the collection services center to the judicial department.

Sec. 14. Section 252B.13, Code Supplement 1987, as amended by this Act, is repealed effective July 1, 1990.

Sec. 15. Notwithstanding the provisions of this Act to the contrary, all duties of the department of human services relating to the collection and disbursement of support payments by the collection services center shall be transferred from the collection services center to the appropriate clerk of the district court by July 1, 1990, if further action is not taken by the general assembly.

The judicial department and the department of human services shall mutually agree to dates to effectuate the transfer of cases. The department of human services shall cause to be published in the administrative bulletin a cumulative list of effective dates by county, once agreed upon and determined, which list shall be final and inclusive of all counties on the next date of publication subsequent to March 1, 1990. The court shall provide for the automated access of data and automated transfers of moneys by the child support recovery unit necessary for carrying out the unit's duties. The court shall also examine, in a plan for any computerized system, the potential for including the use of the electronic transmission of funds as a method of payment satisfying any support obligation.

Sec. 16. CHILD SUPPORT COLLECTION SERVICES FUND -- APPROPRIATIONS.

1. A child support collection services fund is created in the office of the treasurer of state consisting of all revenues appropriated to the fund by the general assembly and other revenues and moneys as designated to be deposited in the fund.

2. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 3 and 4, there is transferred for the fiscal year beginning July 1, 1987, and ending June 30, 1988,

notwithstanding sections 99D.17 and 99D.18, from funds paid to the state racing commission pursuant to section 99D.14, four hundred thousand (400,000) dollars, to be deposited in the child support collection services fund. Notwithstanding section 8.33, funds transferred pursuant to this subsection shall not revert but shall be subject to expenditure from the child support collection services fund during the fiscal year ending June 30, 1989.

3. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 4, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the general fund of the state, seven hundred thousand (700,000) dollars, and notwithstanding sections 99D.17 and 99D.18, there is transferred from funds paid to the state racing commission pursuant to section 99D.14, two hundred ninety-two thousand (292,000) dollars, to be deposited in the child support collection services fund.

4. As a condition, limitation, and qualification of the appropriations and transfers provided for in this subsection and subsections 2 and 3, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, there is appropriated from the child support collection services fund, five hundred one thousand (501,000) dollars, or so much thereof as is necessary, to the department of human services for the operation of the collection services center established pursuant to section 252B.13, and eight hundred ninety-one thousand (891,000) dollars, or so much thereof as is necessary, to the judicial department to be used for the receipt and disbursement of support payments as provided in chapter 252B.

5. The general assembly declares that the entire one million three hundred ninety-two thousand (1,392,000) dollars appropriated in this section shall be spent as set out in this section. If the governor attempts to execute a purported item veto pursuant to Article III, Section 16 of the Constitution

of the State of Iowa, this entire section and all appropriations in this section shall be null and void. Each subsection in this section is part of a unified plan and program and the attempted removal of any subsection will destroy the whole, and each subsection is a qualification, limitation, and condition of every other subsection and of all appropriations in this section.

Sec. 17. 1988 Iowa Acts, House File 209, is repealed.

Sec. 18. Sections 16 and 17 of this Act, being deemed of immediate importance, are effective upon enactment.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2452, Seventy-second General Assembly.

Item Veto
Approved May 12, 1988

JOSEPH O'HERN
Chief Clerk of the House

TERRY E. BRANSTAD
Governor