

HSB 512

HUMAN RESOURCES

SUC
SF/HF 2311

Boddicker, Chair
Boal
Kreiman

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF HUMAN
SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to child support including medical support and
2 payment of costs to financial institutions for data matching
3 and automation program development.

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

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1 Section 1. Section 252E.1, subsection 10, Code 1999, is
2 amended to read as follows:

3 10. "Order" means a support order entered pursuant to
4 chapter 234, 252A, 252C, 252F, 252H, 252K, 598, 600B, or any
5 other support chapter, or pursuant to a comparable statute of
6 a foreign jurisdiction, or an ex parte order entered pursuant
7 to section 252E.4. "Order" also includes a notice of such an
8 order issued by the child support recovery unit to an
9 employer.

10 Sec. 2. Section 252E.2, Code 1999, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 4. A medical support order of a foreign
13 jurisdiction may be entered or filed with the clerk of the
14 district court. However, entry of such a medical support
15 order under this subsection does not constitute registration
16 of that medical support order.

17 Sec. 3. Section 252I.4, subsection 3, Code Supplement
18 1999, is amended to read as follows:

19 3. The unit may pay a reasonable fee to a financial
20 institution for conducting the data match required in
21 subsection 2, not to exceed the lower of either one hundred
22 fifty dollars for each quarterly data match or the actual
23 costs incurred by the financial institution for each quarterly
24 data match. However, the unit may also adopt rules pursuant
25 to chapter 17A to specify a fee amount for each quarterly data
26 match based upon the estimated state share of funds collected
27 under this chapter, which, when adopted, shall be applied in
28 lieu of the one hundred fifty dollar fee under this
29 subsection. In addition, the unit may pay a reasonable fee to
30 a financial institution for automation programming development
31 performed in order to conduct the data match required in
32 subsection 2, not to exceed the lower of either five hundred
33 dollars or the actual costs incurred by the financial
34 institution. The unit may use the state share of funds
35 collected under this chapter to pay the fees to financial

1 institutions under this subsection. For state fiscal years
2 beginning July 1, 1999, and July 1, 2000, the unit may use up
3 to one hundred percent of the state share of such funds. For
4 state fiscal years beginning on or after July 1, 2001, the
5 unit may use up to fifty percent of the state share of such
6 funds. Notwithstanding any other provision of law to the
7 contrary, a financial institution shall have until a date
8 provided in the agreement in subsection 2 to submit its claim
9 for a fee under this subsection. If the unit does not have
10 sufficient funds available under this subsection for payment
11 of fees under this subsection for conducting data matches or
12 for automation program development performed in the fiscal
13 year beginning July 1, 1999, the cost may be carried forward
14 to a future the fiscal year beginning July 1, 2000. The unit
15 may also use funds from an amount assessed a child support
16 agency of another state, as defined in section 252H.2, to
17 conduct a data match requested by that child support agency as
18 provided in 42 U.S.C. § 666(a)(14) to pay fees to financial
19 institutions under this subsection.

20

EXPLANATION

21 This bill provides changes in child support law relating to
22 medical support and to payment of financial institutions for
23 the costs of quarterly data matches and automation program
24 development.

25 The bill provides that an order under the medical support
26 chapter includes a notice of the order issued by the child
27 support recovery unit to an employer. Additionally, the bill
28 provides that an order of a foreign jurisdiction for medical
29 support may be entered or filed with the clerk of the district
30 court. However, such an entry or filing does not constitute
31 registration of that foreign order, thereby requiring
32 registration under the uniform interstate family support Act,
33 Code chapter 252K.

34 The bill also changes current law, which allows carryover
35 of charges from the current fiscal year to the subsequent

1 fiscal year for payment of fees to financial institutions for
2 data matches and automation program development, to limit the
3 carryover to the fiscal year beginning July 1, 1999, and
4 carried over into the fiscal year beginning July 1, 2000.

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THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
JESSIE K. RASMUSSEN, DIRECTOR

December 17, 1999

TO: Members of the General Assembly

FR: Karla Fultz McHenry

The Iowa Department of Human Services (DHS) is proposing amendments to make three adjustments to child support enforcement program. The proposals are:

1. Allow the Child Support Recovery Unit (CSRU) to send a notice, rather than an order, to a parent's employer to enroll a child for health insurance. Currently, if the parent has been ordered to provide the insurance, but has not enrolled the child, CSRU must send a copy of the order. This change will reduce paperwork employers receive and is similar to the income withholding process already used with employers.
2. Clarify the statute that if CSRU or a parent is enforcing an order from another state for health insurance-only, that foreign order may be filed with the clerk of the district court. This is similar to the current process for filing another state's order for child support with the clerk to begin income withholding. Although there are very few foreign orders for only health insurance, this amendment will help harmonize the enforcement of medical support and child support.
3. Terminate or sunset CSRU's authority after one year to carry forward claims from financial institutions related to the quarterly match program. After session, some individuals shared a perception that the language caused an issue with Generally Accepted Accounting Principles (GAAP). This amendment means CSRU will strive to increase collections through the administrative levy process on accounts at financial institutions to pay the institutions' costs. However, if collections are insufficient in SFY 2000 to pay allowed costs, this amendment would allow CSRU to carry forward the unpaid claims only into SFY 2001. Current statute would allow CSRU to carry forward claims into any future year.

For additional information regarding this proposal, or other questions, please contact Karla Fultz McHenry, Legislative Liaison, at 281-4848.

KFM:dd

Substituted by SF 2254
3-15-00 (P. 775)

FEB 16 2000

Place On Calendar

HOUSE FILE **2311**
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HSB 512)

WITHDRAWN

3-15-00 (P. 780)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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HOUSE FILE 2311

H-8247

1 Amend House File 2311 as follows:

2 1. Page 1, by striking lines 17 and 18, and
3 inserting the following:

4 "Sec. ____ . Section 252I.4, subsections 3 and 4,
5 Code Supplement 1999, are amended to read as follows:"

6 2. Page 2, by inserting after line 19 the
7 following:

8 "4. a. The A financial institution is immune from
9 any liability in any action or proceeding, whether
10 civil or criminal, which-might-otherwise-be-incurred
11 or-imposed for any of the following:

12 a- (1) Any The disclosure of any information
13 released by the a financial institution to the unit
14 pursuant to this section chapter or the rules or
15 procedures adopted by the unit to implement this
16 chapter, including disclosure of information relating
17 to an obligor who maintains an account with the
18 financial institution or disclosure of information
19 relating to any other person who maintains an account
20 with the financial institution that is provided for
21 the purpose of complying with the data match
22 requirements of this section and with the agreement
23 entered into between the financial institution and the
24 unit pursuant to subsection 2.

25 b- (2) Any encumbrance or surrender of any assets
26 held by the financial institution in response to a
27 notice of lien or levy issued by the unit.

28 c- (3) Any other action taken-in or omission in
29 connection with good faith efforts to comply with this
30 section-or-section-252I-7 chapter or any rules or
31 procedures that are adopted by the unit to implement
32 this chapter, including but not limited to disclosure
33 of erroneous information about any person.

34 (4) The disclosure, use, or misuse by the unit or
35 by any other person of information provided or assets
36 delivered to the unit by a financial institution.

37 b. For the purposes of this section, "financial
38 institution" includes officers, directors, employees,
39 contractors, and agents of the financial institution."

40 3. Title page, line 1, by inserting after the
41 word "support" the following: ", immunity from
42 liability for financial institutions relating to data
43 matching and levies against accounts,".

By KETTERING of Sac

H-8247 FILED MARCH 7, 2000

W/D
3/15/00