

Veenstra  
Miller  
Shearer

SSB. 3094  
Human Resources

Succeeded By  
SENATE/HOUSE FILE SE/HF 2254  
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 for HF 2311  
3-15-00 (p. 775)

FILED FEB 22 2000

SENATE FILE 2254  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 3094)

Passed Senate (p. 422) Date 2/28/00 Passed House (p. 779) Date 3-15-00  
Vote: Ayes 46 Nays 0 Vote: Ayes 95 Nays 0

Approved 4/14/00

(p. 784) Repassed 3-21-00  
vote 48-0

A BILL FOR (p. 1191) RePassed 4-3-00  
vote 96-0

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.

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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.

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## 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



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2 data matches and automation program development, to limit the  
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HOUSE AMENDMENT  
SENATE FILE 2254

S-5164

1 Amend Senate File 2254, as passed by the Senate, as  
2 follows:

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

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

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

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

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

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

29 c- (3) Any other action taken-in or omission in  
30 connection with good faith efforts to comply with this  
31 section-or-section-252I-7 chapter or any rules or  
32 procedures that are adopted by the unit to implement  
33 this chapter.

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,".

RECEIVED FROM THE HOUSE

S-5164 FILED MARCH 15, 2000

*Senate Concurred*

3-21-00

(p. 784)

SENATE FILE 2254

S-5181

1 Amend the House amendment, S-5164 to Senate File  
2 2254 as passed by the Senate, as follows:  
3 1. Page 1, by inserting after line 39, the  
4 following:  
5 "Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. Section  
6 252I.4, subsection 3, as amended in this Act, is  
7 retroactively applicable to January 1, 2000."  
8 2. Page 1, by inserting after line 43, the  
9 following:  
10 " \_\_\_\_ . Title page, line 3, by inserting after the  
11 word "development" the following: "and providing for  
12 retroactive applicability"."

By KEN VEENSTRA

S-5181 FILED MARCH 21, 2000

ADOPTED

(P. 784)

## SENATE FILE 2254

H-8274

1 Amend Senate File 2254, as passed by the Senate, as  
2 follows:

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

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

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

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

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

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

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

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

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

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

By KETTERING of Sac

H-8274 FILED MARCH 8, 2000

*adapted*

3-15-00

(P. 779)

SENATE FILE 2254

H-8366

- 1 Amend the amendment, H-8274, to Senate File 2254,
- 2 as passed by the Senate, as follows:
- 3 1. Page 1, by striking lines 33 and 34, and
- 4 inserting the following: "this chapter."  
By MYERS of Johnson

H-8366 FILED MARCH 15, 2000

*Adopted*  
3-15-00 (P. 779)

SENATE AMENDMENT TO HOUSE AMENDMENT TO S. F. 2254

H-8476

- 1 Amend the House amendment, S-5164 to Senate File
- 2 2254 as passed by the Senate, as follows:
- 3 1. Page 1, by inserting after line 39, the
- 4 following:
- 5 "Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. Section
- 6 252I.4, subsection 3, as amended in this Act, is
- 7 retroactively applicable to January 1, 2000."
- 8 2. Page 1, by inserting after line 43, the
- 9 following:
- 10 "\_\_\_\_. Title page, line 3, by inserting after the
- 11 word "development" the following: "and providing for
- 12 retroactive applicability"."

RECEIVED FROM THE SENATE

H-8476 FILED MARCH 22, 2000

*House Concurred 4/3/00 (P. 1190)*

SENATE FILE 2254

AN ACT

RELATING TO CHILD SUPPORT, IMMUNITY FROM LIABILITY FOR  
FINANCIAL INSTITUTIONS RELATING TO DATA MATCHING AND LEVIES  
AGAINST ACCOUNTS, INCLUDING MEDICAL SUPPORT AND PAYMENT OF  
COSTS TO FINANCIAL INSTITUTIONS FOR DATA MATCHING AND  
AUTOMATION PROGRAM DEVELOPMENT AND PROVIDING FOR RETROACTIVE  
APPLICABILITY.

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

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

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

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

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

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

3. The unit may pay a reasonable fee to a financial institution for conducting the data match required in subsection 2, not to exceed the lower of either one hundred fifty dollars for each quarterly data match or the actual costs incurred by the financial institution for each quarterly data match. However, the unit may also adopt rules pursuant to chapter 17A to specify a fee amount for each quarterly data match based upon the estimated state share of funds collected under this chapter, which, when adopted, shall be applied in lieu of the one hundred fifty dollar fee under this subsection. In addition, the unit may pay a reasonable fee to a financial institution for automation programming development performed in order to conduct the data match required in subsection 2, not to exceed the lower of either five hundred dollars or the actual costs incurred by the financial institution. The unit may use the state share of funds collected under this chapter to pay the fees to financial institutions under this subsection. For state fiscal years beginning July 1, 1999, and July 1, 2000, the unit may use up to one hundred percent of the state share of such funds. For state fiscal years beginning on or after July 1, 2001, the unit may use up to fifty percent of the state share of such funds. Notwithstanding any other provision of law to the contrary, a financial institution shall have until a date provided in the agreement in subsection 2 to submit its claim for a fee under this subsection. If the unit does not have sufficient funds available under this subsection for payment of fees under this subsection for conducting data matches or

for automation program development performed in the fiscal year beginning July 1, 1999, the cost may be carried forward to a future the fiscal year beginning July 1, 2000. The unit may also use funds from an amount assessed a child support agency of another state, as defined in section 252H.2, to conduct a data match requested by that child support agency as provided in 42 U.S.C. § 666(a)(14) to pay fees to financial institutions under this subsection.

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

a- (1) Any ~~The disclosure of any information released by the a financial institution to the unit pursuant to this section chapter or the rules or procedures adopted by the unit to implement this chapter, including disclosure of information relating to an obligor who maintains an account with the financial institution or disclosure of information relating to any other person who maintains an account with the financial institution that is provided for the purpose of complying with the data match requirements of this section and with the agreement entered into between the financial institution and the unit pursuant to subsection 2.~~

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

c- (3) Any other action ~~taken in~~ or omission in connection with good faith efforts to comply with this ~~section or section 252H-7~~ chapter or any rules or procedures that are adopted by the unit to implement this chapter.

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

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

Sec. 4. RETROACTIVE APPLICABILITY. Section 252I.4, subsection 3, as amended in this Act, is retroactively applicable to January 1, 2000.

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MARY E. KRAMER  
President of the Senate

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BRENT SIEGRIST  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2254, Seventy-eighth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved 4/14, 2000

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THOMAS J. VILSACK  
Governor