

# Senate File 2428 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON APPROPRIATIONS  
(SUCCESSOR TO SSB 3279)

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

## A BILL FOR

1 An Act relating to the collection of delinquent debt owed the  
2 state and political subdivisions of the state by requiring  
3 offsets of gambling winnings, sanctioning of professional  
4 licenses, modifying provisions related to county attorney  
5 collections, writing off certain delinquent court debt,  
6 modifying provisions relating to the deposit of certain funds  
7 in the jury and witness fee fund, and making penalties  
8 applicable.  
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
10 TLSB 5215SV 82  
11 jm/nh/8

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1 1 DIVISION I  
1 2 GAMBLING SETOFF  
1 3 Section 1. Section 99D.2, Code 2007, is amended by adding  
1 4 the following new subsection:  
1 5 NEW SUBSECTION. 2A. "Claimant agency" means a state  
1 6 agency as defined in section 8A.504, subsection 1, or the  
1 7 state court administrator as defined in section 602.1101.  
1 8 Sec. 2. Section 99D.7, Code 2007, is amended by adding the  
1 9 following new subsection:  
1 10 NEW SUBSECTION. 22A. To require licensees to establish a  
1 11 process with the state for licensees to have electronic access  
1 12 to names and social security numbers of debtors of claimant  
1 13 agencies through a secured interactive web site maintained by  
1 14 the state.  
1 15 Sec. 3. NEW SECTION. 99D.28 SETOFF.  
1 16 1. A licensee or a person acting on behalf of a licensee  
1 17 shall be provided electronic access to the names of the  
1 18 persons indebted to a claimant agency pursuant to the process  
1 19 established pursuant to section 99D.7, subsection 22A. The  
1 20 electronic access provided by the claimant agency shall  
1 21 include access to the names of the debtors, their social  
1 22 security numbers, and any other information that assists the  
1 23 licensee in identifying the debtors. If the name of a debtor  
1 24 provided to the licensee through electronic access is  
1 25 retrieved by the licensee, and the winnings are equal to or  
1 26 greater than ten thousand dollars per occurrence, the  
1 27 retrieval of such a name shall constitute a valid lien upon  
1 28 and claim of lien against the winnings of the debtor whose  
1 29 name is electronically retrieved from the claimant agency. If  
1 30 a debtor's winnings are equal to or greater than ten thousand  
1 31 dollars per occurrence, the full amount of the debt shall be  
1 32 collectible from any winnings due the debtor without regard to  
1 33 limitations on the amounts that may be collectible in  
1 34 increments through setoff or other proceedings.  
1 35 2. The licensee is authorized and directed to withhold any  
2 1 winnings of a debtor which are paid out directly by the  
2 2 licensee subject to the lien created by this section and  
2 3 provide notice of such withholding to the winner when the  
2 4 winner appears and claims winnings in person. The licensee  
2 5 shall pay the funds over to the collection entity which  
2 6 administers the setoff program pursuant to section 8A.504.  
2 7 3. Notwithstanding any other provision of law to the  
2 8 contrary, the licensee may provide to a claimant agency all  
2 9 information necessary to accomplish and effectuate the intent  
2 10 of this section, and likewise the claimant agency may provide  
2 11 all information necessary to accomplish and effectuate the  
2 12 intent of this section.

2 13 4. The information obtained by a claimant agency from the  
2 14 licensee in accordance with this section shall retain its  
2 15 confidentiality and shall only be used by a claimant agency in  
2 16 the pursuit of its debt collection duties and practices. An  
2 17 employee or prior employee of a claimant agency who unlawfully  
2 18 discloses any such information for any other purpose, except  
2 19 as otherwise specifically authorized by law, shall be subject  
2 20 to the penalties specified by law for unauthorized disclosure  
2 21 of confidential information by an agent or employee of the  
2 22 claimant agency.

2 23 5. The information obtained by a licensee from a claimant  
2 24 agency in accordance with this section shall retain its  
2 25 confidentiality and only be used by the licensee in the  
2 26 pursuit of debt collection duties and practices. An employee  
2 27 or prior employee of a licensee who unlawfully discloses any  
2 28 such information for any other purpose, except as otherwise  
2 29 specifically authorized by law, shall be subject to the same  
2 30 penalties specified by law for unauthorized disclosure of  
2 31 confidential information by an agent or employee of the  
2 32 licensee.

2 33 6. Except as otherwise provided in this chapter,  
2 34 attachments, setoffs, or executions authorized and issued  
2 35 pursuant to law shall be withheld if timely served upon the  
3 1 licensee.

3 2 7. A claimant agency or licensee, acting in good faith,  
3 3 shall not be liable for actions taken to comply with this  
3 4 section.

3 5 Sec. 4. Section 99F.1, Code Supplement 2007, is amended by  
3 6 adding the following new subsection:

3 7 NEW SUBSECTION. 3A. "Claimant agency" means a state  
3 8 agency as defined in section 8A.504, subsection 1, or the  
3 9 state court administrator as defined in section 602.1101.

3 10 Sec. 5. Section 99F.4, Code Supplement 2007, is amended by  
3 11 adding the following new subsection:

3 12 NEW SUBSECTION. 26. To require licensees to establish a  
3 13 process with the state for licensees to have electronic access  
3 14 to names and social security numbers of debtors of claimant  
3 15 agencies through a secured interactive web site maintained by  
3 16 the state.

3 17 Sec. 6. NEW SECTION. 99F.19 SETOFF.

3 18 1. A licensee or a person acting on behalf of a licensee  
3 19 shall be provided electronic access to the names of the  
3 20 persons indebted to a claimant agency pursuant to the process  
3 21 established pursuant to section 99F.4, subsection 26. The  
3 22 electronic access provided by the claimant agency shall  
3 23 include access to the names of the debtors, their social  
3 24 security numbers, and any other information that assists the  
3 25 licensee in identifying the debtors. If the name of a debtor  
3 26 provided to the licensee through electronic access is  
3 27 retrieved by the licensee, and the winnings are equal to or  
3 28 greater than ten thousand dollars per occurrence, the  
3 29 retrieval of such a name shall constitute a valid lien upon  
3 30 and claim of lien against the winnings of the debtor whose  
3 31 name is electronically retrieved from the claimant agency. If  
3 32 a debtor's winnings are equal to or greater than ten thousand  
3 33 dollars per occurrence, the full amount of the debt shall be  
3 34 collectible from any winnings due the debtor without regard to  
3 35 limitations on the amounts that may be collectible in  
4 1 increments through setoff or other proceedings.

4 2 2. The licensee is authorized and directed to withhold any  
4 3 winnings of a debtor which are paid out directly by the  
4 4 licensee subject to the lien created by this section and  
4 5 provide notice of such withholding to the winner when the  
4 6 winner appears and claims winnings in person. The licensee  
4 7 shall pay the funds over to the collection entity which  
4 8 administers the setoff program pursuant to section 8A.504.

4 9 3. Notwithstanding any other provision of law to the  
4 10 contrary, the licensee may provide to a claimant agency all  
4 11 information necessary to accomplish and effectuate the intent  
4 12 of this section, and likewise the claimant agency may provide  
4 13 all information necessary to accomplish and effectuate the  
4 14 intent of this section.

4 15 4. The information obtained by a claimant agency from the  
4 16 licensee in accordance with this section shall retain its  
4 17 confidentiality and shall only be used by a claimant agency in  
4 18 the pursuit of its debt collection duties and practices. An  
4 19 employee or prior employee of a claimant agency who unlawfully  
4 20 discloses any such information for any other purpose, except  
4 21 as otherwise specifically authorized by law, shall be subject  
4 22 to the penalties specified by law for unauthorized disclosure  
4 23 of confidential information by an agent or employee of the

4 24 claimant agency.  
4 25 5. The information obtained by a licensee from a claimant  
4 26 agency in accordance with this section shall retain its  
4 27 confidentiality and only be used by the licensee in the  
4 28 pursuit of debt collection duties and practices. An employee  
4 29 or prior employee of a licensee who unlawfully discloses any  
4 30 such information for any other purpose, except as otherwise  
4 31 specifically authorized by law, shall be subject to the same  
4 32 penalties specified by law for unauthorized disclosure of  
4 33 confidential information by an agent or employee of the  
4 34 licensee.

4 35 6. Except as otherwise provided in this chapter,  
5 1 attachments, setoffs, or executions authorized and issued  
5 2 pursuant to law shall be withheld if timely served upon the  
5 3 licensee.

5 4 7. A claimant agency or licensee, acting in good faith,  
5 5 shall not be liable for actions taken to comply with this  
5 6 section.

## 5 7 DIVISION II

### 5 8 LICENSING SANCTIONS

#### 5 9 Sec. 7. NEW SECTION. 272D.1 DEFINITIONS.

5 10 As used in this chapter, unless the context otherwise  
5 11 requires:

5 12 1. "Certificate of noncompliance" means a document  
5 13 provided by the unit certifying the named person has  
5 14 outstanding liability placed with the unit and has not entered  
5 15 into an approved payment plan to pay the liability.

5 16 2. "Liability" means a debt or obligation placed with the  
5 17 unit for collection that is greater than one thousand dollars.  
5 18 For purposes of this chapter "liability" does not include  
5 19 support payments collected pursuant to chapter 252J.

5 20 3. "License" means a license, certification, registration,  
5 21 permit, approval, renewal, or other similar authorization  
5 22 issued to a person by a licensing authority which evidences  
5 23 the admission to, or granting of authority to engage in, a  
5 24 profession, occupation, business, industry, or recreation.  
5 25 "License" includes licenses for hunting and fishing, or other  
5 26 recreational activity.

5 27 4. "Licensee" means a person to whom a license has been  
5 28 issued, or who is seeking the issuance of a license.

5 29 5. "Licensing authority" means the supreme court, or an  
5 30 instrumentality, agency, board, commission, department,  
5 31 officer, organization, or any other entity of the state, which  
5 32 has authority within this state to suspend or revoke a license  
5 33 or to deny the renewal or issuance of a license authorizing a  
5 34 person to engage in a business, occupation, profession,  
5 35 recreation, or industry.

6 1 6. "Obligor" means a person with a liability placed with  
6 2 the unit.

6 3 7. "Person" means a licensee.

6 4 8. "Unit" means the centralized collection unit of the  
6 5 department of revenue.

6 6 9. "Withdrawal of a certificate of noncompliance" means a  
6 7 document provided by the unit certifying that the certificate  
6 8 of noncompliance is withdrawn and that the licensing authority  
6 9 may proceed with issuance, reinstatement, or renewal of the  
6 10 person's license.

#### 6 11 Sec. 8. NEW SECTION. 272D.2 PURPOSE AND USE.

6 12 1. Notwithstanding other statutory provisions to the  
6 13 contrary, the unit may utilize the process established in this  
6 14 chapter to collect liabilities placed with the unit.

6 15 2. Actions initiated by the unit under this chapter shall  
6 16 not be subject to contested case proceedings or further review  
6 17 pursuant to chapter 17A and any resulting court hearing shall  
6 18 be an original hearing before the district court.

6 19 3. Notwithstanding chapter 22, all of the following apply:

6 20 a. Information obtained by the unit under this chapter  
6 21 shall be used solely for the purposes of this chapter.

6 22 b. Information obtained by a licensing authority under  
6 23 this chapter shall be used solely for the purposes of this  
6 24 chapter.

6 25 4. Notwithstanding any other law to the contrary,  
6 26 information shall be exchanged by a licensing authority and  
6 27 the unit to effectuate this chapter.

#### 6 28 Sec. 9. NEW SECTION. 272D.3 NOTICE TO PERSON OF 6 29 POTENTIAL SANCTION OF LICENSE.

6 30 The unit shall proceed in accordance with this chapter only  
6 31 if the unit sends a notice to the person by regular mail to  
6 32 the last known address of the person. The notice shall  
6 33 include all of the following:

6 34 1. The address and telephone number of the unit and the

6 35 person's unit account number.

7 1 2. A statement that the person may request a conference  
7 2 with the unit to contest the action.

7 3 3. A statement that if, within twenty days of mailing of  
7 4 the notice to the person, the person fails to contact the unit  
7 5 to schedule a conference, the unit shall issue a certificate  
7 6 of noncompliance, bearing the person's name, social security  
7 7 number, and unit account number, to any appropriate licensing  
7 8 authority, certifying that the obligor has an outstanding  
7 9 liability placed with the unit.

7 10 4. A statement that in order to stay the issuance of a  
7 11 certificate of noncompliance the request for a conference  
7 12 shall be in writing and shall be received by the unit within  
7 13 twenty days of mailing of the notice to the person.

7 14 5. The names of the licensing authorities to which the  
7 15 unit intends to issue a certificate of noncompliance.

7 16 6. A statement that if the unit issues a certificate of  
7 17 noncompliance to an appropriate licensing authority, the  
7 18 licensing authority shall initiate proceedings to refuse to  
7 19 issue or renew, or to suspend or revoke the person's license,  
7 20 unless the unit provides the licensing authority with a  
7 21 withdrawal of a certificate of noncompliance.

7 22 Sec. 10. NEW SECTION. 272D.4 CONFERENCE.

7 23 1. The person may schedule a conference with the unit  
7 24 following mailing of the notice pursuant to section 272D.3, or  
7 25 at any time after service of notice of suspension, revocation,  
7 26 denial of issuance, or nonrenewal of a license from a  
7 27 licensing authority, to challenge the unit's actions under  
7 28 this chapter.

7 29 2. The request for a conference shall be made to the unit,  
7 30 in writing, and, if requested after mailing of the notice  
7 31 pursuant to section 272D.3, shall be received by the unit  
7 32 within twenty days following mailing of the notice.

7 33 3. The unit shall notify the person of the date, time, and  
7 34 location of the conference by regular mail, with the date of  
7 35 the conference to be no earlier than ten days following  
8 1 issuance of notice of the conference by the unit. If the  
8 2 person fails to appear at the conference, the unit shall issue  
8 3 a certificate of noncompliance.

8 4 4. Following the conference, the unit shall issue a  
8 5 certificate of noncompliance unless any of the following  
8 6 applies:

8 7 a. The unit finds a mistake in the identity of the person.

8 8 b. The unit finds a mistake in determining the amount of  
8 9 the liability.

8 10 c. The unit determines the amount of the liability is not  
8 11 greater than one thousand dollars.

8 12 d. The obligor enters into an acceptable payment plan.

8 13 e. Issuance of a certificate of noncompliance is not  
8 14 appropriate under other criteria established in accordance  
8 15 with rules adopted by the department of revenue pursuant to  
8 16 chapter 17A.

8 17 5. The unit shall grant the person a stay of the issuance  
8 18 of a certificate of noncompliance upon receiving a timely  
8 19 written request for a conference, and if a certificate of  
8 20 noncompliance has previously been issued, shall issue a  
8 21 withdrawal of a certificate of noncompliance if the obligor  
8 22 enters into a written agreement with the unit to pay the  
8 23 liability.

8 24 6. If the person does not timely request a conference or  
8 25 does not pay the total amount of liability owed within twenty  
8 26 days of mailing of the notice pursuant to section 272D.3, the  
8 27 unit shall issue a certificate of noncompliance.

8 28 Sec. 11. NEW SECTION. 272D.5 WRITTEN AGREEMENT.

8 29 1. The obligor and the unit may enter into a written  
8 30 agreement for payment of the liability owed which takes into  
8 31 consideration the obligor's ability to pay and other criteria  
8 32 established by rule of the department of revenue. The written  
8 33 agreement shall include all of the following:

8 34 a. The method, amount, and dates of payments by the  
8 35 obligor.

9 1 b. A statement that upon breach of the written agreement  
9 2 by the obligor, the unit shall issue a certificate of  
9 3 noncompliance to any appropriate licensing authority.

9 4 2. A written agreement entered into pursuant to this  
9 5 section does not preclude any other remedy provided by law.

9 6 3. Following issuance of a certificate of noncompliance,  
9 7 if the obligor enters into a written agreement with the unit,  
9 8 the unit shall issue a withdrawal of the certificate of  
9 9 noncompliance to any appropriate licensing authority and shall  
9 10 forward a copy of the withdrawal by regular mail to the

9 11 obligor.

9 12 Sec. 12. NEW SECTION. 272D.6 DECISION OF THE UNIT.

9 13 1. If the unit mails a notice to a person pursuant to  
9 14 section 272D.3, and the person requests a conference pursuant  
9 15 to section 272D.4, the unit shall issue a written decision if  
9 16 any of the following conditions exist:

9 17 a. The person fails to appear at a scheduled conference  
9 18 under section 272D.4.

9 19 b. A conference is held under section 272D.4.

9 20 c. The obligor fails to comply with a written agreement  
9 21 entered into by the obligor and the unit under section 272D.5.

9 22 2. The unit shall send a copy of the written decision to  
9 23 the person by regular mail at the person's most recent address  
9 24 of record. If the decision is made to issue a certificate of  
9 25 noncompliance or to withdraw the certificate of noncompliance,  
9 26 a copy of the certificate of noncompliance or of the  
9 27 withdrawal of the certificate of noncompliance shall be  
9 28 attached to the written decision. The written decision shall  
9 29 state all of the following:

9 30 a. That the certificate of noncompliance or withdrawal of  
9 31 the certificate of noncompliance has been provided to the  
9 32 licensing authorities named in the notice provided pursuant to  
9 33 section 272D.3.

9 34 b. That upon receipt of a certificate of noncompliance,  
9 35 the licensing authority shall initiate proceedings to suspend,  
10 1 revoke, deny issuance, or deny renewal of a license, unless  
10 2 the licensing authority is provided with a withdrawal of a  
10 3 certificate of noncompliance from the unit.

10 4 c. That in order to obtain a withdrawal of a certificate  
10 5 of noncompliance from the unit, the obligor shall enter into a  
10 6 written agreement with the unit, comply with an existing  
10 7 written agreement with the unit, or pay the total amount of  
10 8 liability owed.

10 9 d. That if the unit issues a written decision which  
10 10 includes a certificate of noncompliance, the person may  
10 11 request a hearing as provided in section 272D.9, before the  
10 12 district court. The person may retain an attorney at the  
10 13 person's own expense to represent the person at the hearing.  
10 14 The review of the district court shall be limited to  
10 15 demonstration of a mistake of fact related to the amount of  
10 16 the liability owed or the identity of the person.

10 17 3. If the unit issues a certificate of noncompliance, the  
10 18 unit shall only issue a withdrawal of the certificate of  
10 19 noncompliance if any of the following applies:

10 20 a. The unit or the court finds a mistake in the identity  
10 21 of the person.

10 22 b. The unit or the court finds a mistake in the amount  
10 23 owed.

10 24 c. The obligor enters into a written agreement with the  
10 25 unit to pay the liability owed, the obligor complies with an  
10 26 existing written agreement, or the obligor pays the total  
10 27 amount of liability owed.

10 28 d. Issuance of a withdrawal of the certificate of  
10 29 noncompliance is appropriate under other criteria in  
10 30 accordance with rules adopted by the department of revenue  
10 31 pursuant to chapter 17A.

10 32 Sec. 13. NEW SECTION. 272D.7 CERTIFICATE OF  
10 33 NONCOMPLIANCE == CERTIFICATION TO LICENSING AUTHORITY.

10 34 1. If a person fails to respond to a notice of potential  
10 35 license sanction provided pursuant to section 272D.3 or the  
11 1 unit issues a written decision under section 272D.6 which  
11 2 states that the person is not in compliance, the unit shall  
11 3 issue a certificate of noncompliance to any appropriate  
11 4 licensing authority.

11 5 2. The certificate of noncompliance shall contain the  
11 6 person's name and social security number.

11 7 3. The certificate of noncompliance shall require all of  
11 8 the following:

11 9 a. That the licensing authority initiate procedures for  
11 10 the revocation or suspension of the person's license, or for  
11 11 the denial of the issuance or renewal of a license using the  
11 12 licensing authority's procedures.

11 13 b. That the licensing authority provide notice to the  
11 14 person, as provided in section 272D.8, of the intent to  
11 15 suspend, revoke, deny issuance, or deny renewal of a license  
11 16 including the effective date of the action. The suspension,  
11 17 revocation, or denial shall be effective no sooner than thirty  
11 18 days following provision of notice to the person.

11 19 Sec. 14. NEW SECTION. 272D.8 REQUIREMENTS AND PROCEDURES  
11 20 OF LICENSING AUTHORITY.

11 21 1. A licensing authority shall maintain records of

11 22 licensees by name, current known address, and social security  
11 23 number. The records shall be made available to the unit in an  
11 24 electronic format in order for the unit to match the names of  
11 25 the persons with any liability placed with the unit for  
11 26 collection.

11 27 2. In addition to other grounds for suspension,  
11 28 revocation, or denial of issuance or renewal of a license, a  
11 29 licensing authority shall include in rules adopted by the  
11 30 licensing authority as grounds for suspension, revocation, or  
11 31 denial of issuance or renewal of a license, the receipt of a  
11 32 certificate of noncompliance from the unit.

11 33 3. The supreme court shall prescribe rules for admission  
11 34 of persons to practice as attorneys and counselors pursuant to  
11 35 chapter 602, article 10, which include provisions, as  
12 1 specified in this chapter, for the denial, suspension, or  
12 2 revocation of the admission for failure to pay a liability  
12 3 placed with the unit.

12 4 4. a. A licensing authority that is issued a certificate  
12 5 of noncompliance shall initiate procedures for the suspension,  
12 6 revocation, or denial of issuance or renewal of licensure to a  
12 7 person. The licensing authority shall utilize existing rules  
12 8 and procedures for suspension, revocation, or denial of the  
12 9 issuance or renewal of a license.

12 10 b. In addition, the licensing authority shall provide  
12 11 notice to the person of the licensing authority's intent to  
12 12 suspend, revoke, or deny issuance or renewal of a license  
12 13 under this chapter. The suspension, revocation, or denial  
12 14 shall be effective no sooner than thirty days following  
12 15 provision of notice to the person. The notice shall state all  
12 16 of the following:

12 17 (1) The licensing authority intends to suspend, revoke, or  
12 18 deny issuance or renewal of a person's license due to the  
12 19 receipt of a certificate of noncompliance from the unit.

12 20 (2) The person must contact the unit to schedule a  
12 21 conference or to otherwise obtain a withdrawal of a  
12 22 certificate of noncompliance.

12 23 (3) Unless the unit furnishes a withdrawal of a  
12 24 certificate of noncompliance to the licensing authority within  
12 25 thirty days of the issuance of the notice under this section,  
12 26 the person's license will be revoked, suspended, or denied.

12 27 (4) If the licensing authority's rules and procedures  
12 28 conflict with the additional requirements of this section, the  
12 29 requirements of this section shall apply. Notwithstanding  
12 30 section 17A.18, the person does not have a right to a hearing  
12 31 before the licensing authority to contest the authority's  
12 32 actions under this chapter but may request a court hearing  
12 33 pursuant to section 272D.9 within thirty days of the provision  
12 34 of notice under this section.

12 35 5. If the licensing authority receives a withdrawal of a  
13 1 certificate of noncompliance from the unit, the licensing  
13 2 authority shall immediately reinstate, renew, or issue a  
13 3 license if the person is otherwise in compliance with  
13 4 licensing requirements established by the licensing authority.

13 5 Sec. 15. NEW SECTION. 272D.9 DISTRICT COURT HEARING.

13 6 1. Following the issuance of a written decision by the  
13 7 unit under section 272D.6 which includes the issuance of a  
13 8 certificate of noncompliance, or following provision of notice  
13 9 to the person by a licensing authority pursuant to section  
13 10 272D.8, a person may seek review of the decision and request a  
13 11 hearing before the district court by filing an application  
13 12 with the district court in the county where the majority of  
13 13 the liability was incurred, and sending a copy of the  
13 14 application to the unit by regular mail.

13 15 2. An application shall be filed to seek review of the  
13 16 decision by the unit or following issuance of notice by the  
13 17 licensing authority no later than within thirty days after the  
13 18 issuance of the notice pursuant to section 272D.8. The clerk  
13 19 of the district court shall schedule a hearing and mail a copy  
13 20 of the order scheduling the hearing to the person and the unit  
13 21 and shall also mail a copy of the order to the licensing  
13 22 authority, if applicable. The unit shall certify a copy of  
13 23 its written decision and certificate of noncompliance,  
13 24 indicating the date of issuance, and the licensing authority  
13 25 shall certify a copy of a notice issued pursuant to section  
13 26 272D.8, to the court prior to the hearing.

13 27 3. The filing of an application pursuant to this section  
13 28 shall automatically stay the actions of a licensing authority  
13 29 pursuant to section 272D.8. The hearing on the application  
13 30 shall be scheduled and held within thirty days of the filing  
13 31 of the application. However, if the person fails to appear at  
13 32 the scheduled hearing, the stay shall be lifted and the

13 33 licensing authority shall continue procedures pursuant to  
13 34 section 272D.8.

13 35 4. The scope of review by the district court shall be  
14 1 limited to demonstration of the amount of the liability owed  
14 2 or the identity of the person.

14 3 5. If the court finds that the unit was in error in  
14 4 issuing a certificate of noncompliance, or in failing to issue  
14 5 a withdrawal of a certificate of noncompliance, the unit shall  
14 6 issue a withdrawal of a certificate of noncompliance to the  
14 7 appropriate licensing authority.

14 8 DIVISION III  
14 9 COLLECTION OF DEBT

14 10 Sec. 16. Section 96.11, subsection 6, paragraph b,  
14 11 subparagraph (3), Code Supplement 2007, is amended to read as  
14 12 follows:

14 13 (3) Information obtained from an employing unit or  
14 14 individual in the course of administering this chapter and an  
14 15 initial determination made by a representative of the  
14 16 department under section 96.6, subsection 2, as to benefit  
14 17 rights of an individual shall not be used in any action or  
14 18 proceeding, except in a contested case proceeding or judicial  
14 19 review under chapter 17A. However, the department shall make  
14 20 information, which is obtained from an employing unit or  
14 21 individual in the course of administering this chapter and  
14 22 which relates to the employment and wage history of the  
14 23 individual, available to a county attorney for the county  
14 24 attorney's use in the performance of duties under section  
14 25 331.756, subsection 5, or section 602.8107. The department  
14 26 shall make such information electronically accessible to the  
14 27 county attorney at the county attorney's office, if requested,  
14 28 provided the county attorney's office pays the cost of the  
14 29 installation of the equipment to provide such access.

14 30 Information in the department's possession which may affect a  
14 31 claim for benefits or a change in an employer's rating account  
14 32 shall be made available to the interested parties. The  
14 33 information may be used by the interested parties in a  
14 34 proceeding under this chapter to the extent necessary for the  
14 35 proper presentation or defense of a claim.

15 1 Sec. 17. NEW SECTION. 321.11A PERSONAL INFORMATION  
15 2 DISCLOSURE == EXCEPTION.

15 3 1. Notwithstanding section 321.11, the department, upon  
15 4 request, shall provide personal information that identifies a  
15 5 person by the social security number of the person to the  
15 6 following:

15 7 a. The department of revenue for the purpose of collecting  
15 8 debt.

15 9 b. The judicial branch for the purpose of collecting court  
15 10 debt pursuant to section 602.8107.

15 11 c. The department of administrative services for the  
15 12 purpose of administering the setoff program pursuant to  
15 13 section 8A.504.

15 14 2. The social security number obtained by the department  
15 15 of revenue or the judicial branch shall retain its  
15 16 confidentiality and shall only be used for the purposes  
15 17 provided in this section.

15 18 Sec. 18. Section 321.40, Code Supplement 2007, is amended  
15 19 by adding the following new subsection:

15 20 NEW SUBSECTION. 9. a. The county treasurer shall refuse  
15 21 to renew the registration of a vehicle registered to the  
15 22 applicant if the county treasurer has been notified by the  
15 23 clerk of the district court that the applicant has delinquent  
15 24 court debt, as defined in section 602.8107, which is being  
15 25 collected by the county attorney pursuant to section 602.8107,  
15 26 subsection 4.

15 27 b. If the applicant enters into or renews a payment plan  
15 28 that is satisfactory to the county attorney or the county  
15 29 attorney's designee, the county attorney shall provide the  
15 30 department with written or electronic notice of the payment  
15 31 plan within five days of entering into such a plan. The  
15 32 county treasurer shall temporarily lift the registration hold  
15 33 on an applicant for a period of ten days if the treasurer  
15 34 receives such notice in order to allow the applicant to  
15 35 register a vehicle for the year. If the applicant remains  
16 1 current with the payment plan entered into with the county  
16 2 attorney or the county attorney's designee, subsequent lifts  
16 3 of registration holds shall be granted without additional  
16 4 restrictions.

16 5 Sec. 19. Section 321.210B, subsections 1 and 11, Code  
16 6 Supplement 2007, are amended to read as follows:

16 7 1. If a person's fine, penalty, surcharge, or court cost  
16 8 is deemed delinquent as provided in section 602.8107,

16 9 subsection 3 2, and the person's driver's license has been  
16 10 suspended pursuant to section 321.210A, the person may execute  
16 11 an installment agreement with the county attorney or the  
16 12 county attorney's designee to pay the delinquent amount and  
16 13 the fee assessed in subsection 7 in installments. Prior to  
16 14 execution of the installment agreement, the person shall  
16 15 provide the county attorney or the county attorney's designee  
16 16 with a financial statement in order for the parties to the  
16 17 agreement to determine the amount of the installment payments.

16 18 11. If a new fine, penalty, surcharge, or court cost is  
16 19 imposed on a person after the person has executed an  
16 20 installment agreement with the county attorney or the county  
16 21 attorney's designee, and the new fine, penalty, surcharge, or  
16 22 court cost is deemed delinquent as provided in section  
16 23 602.8107, subsection 3 2, and the person's driver's license  
16 24 has been suspended pursuant to section 321.210A, the person  
16 25 may enter into a second installment agreement with the county  
16 26 attorney or county attorney's designee to pay the delinquent  
16 27 amount and the fee, if assessed, in subsection 7 in  
16 28 installments.

16 29 Sec. 20. Section 331.756, subsection 5, paragraph e, Code  
16 30 Supplement 2007, is amended by striking the paragraph.

16 31 Sec. 21. Section 602.8102, Code Supplement 2007, is  
16 32 amended by adding the following new subsection:

16 33 NEW SUBSECTION. 105B. Facilitate the collection of court  
16 34 debt pursuant to section 602.8107.

16 35 Sec. 22. Section 602.8107, Code Supplement 2007, is  
17 1 amended by striking the section and inserting in lieu thereof  
17 2 the following:

17 3 602.8107 COLLECTION OF COURT DEBT.

17 4 1. As used in this section, "court debt" means all fines,  
17 5 penalties, court costs, fees, forfeited bail, surcharges under  
17 6 chapter 911, victim restitution, restitution for  
17 7 court-appointed attorney fees or for expenses of a public  
17 8 defender, or fees charged pursuant to section 356.7 or  
17 9 904.108.

17 10 2. CLERK OF THE DISTRICT COURT COLLECTION. Court debt  
17 11 shall be owed and payable to the clerk of the district court.  
17 12 All amounts collected shall be distributed pursuant to  
17 13 sections 602.8106 and 602.8108 or as otherwise provided by  
17 14 this Code. The clerk may accept payment of an obligation or a  
17 15 portion thereof by credit card. Any fees charged to the clerk  
17 16 with respect to payment by credit card may be paid from  
17 17 receipts collected by credit card.

17 18 a. If the clerk receives payment from a person who is an  
17 19 inmate at a correctional institution or who is under the  
17 20 supervision of a judicial district department of correctional  
17 21 services, the payment shall be applied to the balance owed  
17 22 under the identified case number of the case which has  
17 23 resulted in the placement of the person at a correctional  
17 24 institution or under the supervision of the judicial district  
17 25 department of correctional services.

17 26 b. If a case number is not identified, the clerk shall  
17 27 apply the payment to the balance owed in the criminal case  
17 28 with the oldest judgment against the person.

17 29 c. Payments received under this section shall be applied  
17 30 in the following priority order:

17 31 (1) Pecuniary damages as defined in section 910.1,  
17 32 subsection 3.

17 33 (2) Fines or penalties and criminal penalty and law  
17 34 enforcement initiative surcharges.

17 35 (3) Crime victim compensation program reimbursement.

18 1 (4) Court costs, including correctional fees assessed  
18 2 pursuant to sections 356.7 and 904.108, court-appointed  
18 3 attorney fees, or public defender expenses.

18 4 d. The court debt is deemed delinquent if it is not paid  
18 5 within thirty days after the date it is assessed. An amount  
18 6 which was ordered by the court to be paid on a date fixed in  
18 7 the future pursuant to section 909.3 is deemed delinquent if  
18 8 it is not received by the clerk within thirty days after the  
18 9 fixed future date set out in the court order. If an amount  
18 10 was ordered to be paid by installments, and an installment is  
18 11 not received within thirty days after the date it is due, the  
18 12 entire amount of the court debt is deemed delinquent.

18 13 3. COLLECTION BY CENTRALIZED COLLECTION UNIT OF DEPARTMENT  
18 14 OF REVENUE. Thirty days after court debt has been assessed,  
18 15 or if an installment payment is not received within thirty  
18 16 days after the date it is due, the judicial branch may assign  
18 17 a case to the centralized collection unit of the department of  
18 18 revenue or its designee to collect debts owed to the clerk of  
18 19 the district court for a period of sixty days. In addition,



18 20 court debt which is being collected under an installment  
18 21 agreement pursuant to section 321.210B which is in default  
18 22 that remains delinquent may also be assigned to the  
18 23 centralized collection unit of the department of revenue or  
18 24 its designee.

18 25 a. The department of revenue may impose a fee established  
18 26 by rule to reflect the cost of processing which shall be added  
18 27 to the debt owed to the clerk of the district court. Any  
18 28 amounts collected by the unit shall first be applied to the  
18 29 processing fee. The remaining amounts shall be remitted to  
18 30 the clerk of the district court for the county in which the  
18 31 debt is owed. The judicial branch may prescribe rules to  
18 32 implement this subsection. These rules may provide for  
18 33 remittance of processing fees to the department of revenue or  
18 34 its designee.

18 35 b. Satisfaction of the outstanding court debt occurs only  
19 1 when all fees or charges and the outstanding court debt is  
19 2 paid in full. Payment of the outstanding court debt only  
19 3 shall not be considered payment in full for satisfaction  
19 4 purposes.

19 5 c. The department of revenue or its collection designee  
19 6 shall file with the clerk of the district court a notice of  
19 7 the satisfaction of each portion of the court debt to the full  
19 8 extent of the moneys collected in satisfaction of the court  
19 9 debt. The clerk of the district court shall record the notice  
19 10 and enter a satisfaction for the amounts collected.

19 11 4. COUNTY ATTORNEY COLLECTION. The county attorney or the  
19 12 county attorney's designee may collect court debt sixty days  
19 13 after the court debt is deemed delinquent pursuant to  
19 14 subsection 2. In order to receive a percentage of the amounts  
19 15 collected pursuant to this subsection, the county attorney  
19 16 must file annually with the clerk of the district court on or  
19 17 before July 1 a notice of full commitment to collect  
19 18 delinquent court debt and must file on the first day of each  
19 19 month a list of the cases in which the county attorney or the  
19 20 county attorney's designee is pursuing the collection of  
19 21 delinquent court debt. The list shall include a list of cases  
19 22 where delinquent court debt is being collected under an  
19 23 installment agreement pursuant to section 321.210B, and a list  
19 24 of cases in default which are no longer being collected under  
19 25 an installment agreement but remain delinquent. The annual  
19 26 notice shall contain a list of procedures which will be  
19 27 initiated by the county attorney.

19 28 a. This subsection does not apply to amounts collected for  
19 29 victim restitution, the victim compensation fund, the criminal  
19 30 penalty surcharge, the law enforcement initiative surcharge,  
19 31 county enforcement surcharge, amounts collected as a result of  
19 32 procedures initiated under subsection 5 or under section  
19 33 8A.504, or fees charged pursuant to section 356.7.

19 34 b. Amounts collected by the county attorney or the county  
19 35 attorney's designee shall be distributed in accordance with  
20 1 paragraphs "c" and "d".

20 2 c. (1) Forty percent of the amounts collected by the  
20 3 county attorney or the person procured or designated by the  
20 4 county attorney shall be deposited in the general fund of the  
20 5 county if the county attorney has filed the notice required by  
20 6 this subsection, unless the county attorney has discontinued  
20 7 collection efforts on a particular delinquent amount.

20 8 (2) Of the remainder, the following amounts shall be paid  
20 9 each fiscal year to the clerk of the district court for  
20 10 distribution under section 602.8108:

20 11 (a) For a county with a population equal to or greater  
20 12 than one hundred thousand, an amount up to five hundred  
20 13 thousand dollars.

20 14 (b) For a county with a population less than one hundred  
20 15 thousand, an amount up to two hundred fifty thousand dollars.

20 16 (3) If the threshold amount has been distributed pursuant  
20 17 to subparagraph (2), the remainder shall be distributed to the  
20 18 individual county as provided in paragraph "d".

20 19 d. Any additional moneys collected by an individual county  
20 20 after the threshold amount in paragraph "c" has been  
20 21 distributed shall be distributed by the state court  
20 22 administrator as follows: forty percent of any additional  
20 23 moneys collected by the county attorney or the person procured  
20 24 or designated by the county attorney shall be deposited in the  
20 25 general fund of the county where the moneys were collected;  
20 26 twenty percent of the remainder collected by the county  
20 27 attorney or the person procured or designated by the county  
20 28 attorney shall be deposited with the office of the county  
20 29 attorney that collected the moneys; and the remainder shall be  
20 30 paid to the clerk of the district court for distribution under

20 31 section 602.8108 or the state court administrator may  
20 32 distribute the remainder under section 602.8108 if the  
20 33 additional moneys have already been received by the state  
20 34 court administrator.  
20 35 e. The county attorney shall file with the clerk of the  
21 1 district court a notice of the satisfaction of each portion of  
21 2 the court debt to the full extent of the moneys collected in  
21 3 satisfaction of the court debt. The clerk of the district  
21 4 court shall record the notice and enter a satisfaction for the  
21 5 amounts collected.

21 6 5. ASSIGNMENT TO PRIVATE COLLECTION DESIGNEE.

21 7 a. The judicial branch may contract with a private  
21 8 collection designee for the collection of court debt sixty  
21 9 days after the court debt in a case is deemed delinquent  
21 10 pursuant to subsection 2 if the county attorney is not  
21 11 collecting the court debt in a case pursuant to subsection 4.

21 12 b. The contract shall provide for a collection fee equal  
21 13 to twenty-five percent of the amount of the court debt in a  
21 14 case deemed delinquent. The collection fee as calculated  
21 15 shall be added to the amount of the court debt deemed  
21 16 delinquent. The amount of the court debt deemed delinquent  
21 17 and the collection fee shall be owed by and collected from the  
21 18 defendant. The collection fee shall be used to compensate the  
21 19 private collection designee. The contract may also assess the  
21 20 private collection designee an initial fee for entering into  
21 21 the contract.

21 22 c. The judicial branch may consult with the department of  
21 23 revenue and the department of administrative services when  
21 24 entering into the contract with the private collection  
21 25 designee.

21 26 d. Subject to the provisions of paragraph "b", the amounts  
21 27 collected pursuant to this subsection shall be distributed as  
21 28 provided in subsection 2. Any initial fee collected by the  
21 29 judicial branch shall be deposited into the general fund of  
21 30 the state.

21 31 e. The judicial branch or the private collection designee  
21 32 shall file with the clerk of the district court a notice of  
21 33 the satisfaction of each portion of the court debt to the full  
21 34 extent of the moneys collected in satisfaction of the court  
21 35 debt. The clerk of the district court shall record the notice  
22 1 and enter a satisfaction for the amounts collected.

22 2 6. WRITE OFF OF OLD DEBT. If any portion of the court  
22 3 debt in a case remains uncollected after sixty-five years from  
22 4 the date of imposition, the judicial branch shall write off  
22 5 the debt as uncollectible and close the case file for the  
22 6 purposes of collection pursuant to this section.

22 7 7. REPORTS. The judicial branch shall prepare a report  
22 8 aging the court debt. The report shall include the amounts  
22 9 collected by the private collection designee, the distribution  
22 10 of these amounts, and the amount of the fee collected by the  
22 11 private collection designee. In addition, the report shall  
22 12 include the amounts written off pursuant to subsection 6. The  
22 13 judicial branch shall provide the report to the  
22 14 co-chairpersons and ranking members of the joint  
22 15 appropriations subcommittee on the justice system, the  
22 16 legislative services agency, and the department of management  
22 17 by December 15 of each year.

22 18 Sec. 23. NEW SECTION. 901.5C PRONOUNCEMENT OF JUDGMENT  
22 19 AND SENTENCE == SOCIAL SECURITY NUMBER.

22 20 1. Prior to pronouncement of judgment and sentence  
22 21 pursuant to section 901.5, or prior to pleading guilty for an  
22 22 offense that does not require a court appearance, the  
22 23 defendant shall provide the defendant's social security number  
22 24 to the clerk of the district court or the court.

22 25 2. The clerk of the district court shall duly note the  
22 26 social security number in the case file.

22 27 3. The defendant's social security number shall be  
22 28 considered a confidential record exempted from public access  
22 29 under section 22.7, but shall be disclosed by the clerk of the  
22 30 district court for the limited purpose of collecting court  
22 31 debt pursuant to section 602.8107.

22 32 4. Failure or refusal to provide a social security number  
22 33 pursuant to this section shall not delay the pronouncement of  
22 34 judgment and sentence pursuant to section 901.5.

22 35 Sec. 24. Section 907.7, Code 2007, is amended to read as  
23 1 follows:

23 2 907.7 LENGTH OF PROBATION.

23 3 1. The length of the probation shall be for a term as the  
23 4 court shall fix but not to exceed five years if the offense is  
23 5 a felony or not to exceed two years if the offense is a  
23 6 misdemeanor.

23 7 2. The length of the probation shall not be less than one  
23 8 year if the offense is a misdemeanor and shall not be less  
23 9 than two years if the offense is a felony.

23 10 3. ~~However, the~~ The court may subsequently reduce the  
23 11 length of the probation if the court determines that the  
23 12 purposes of probation have been fulfilled and the fees imposed  
23 13 under section 905.14 have been paid to or waived by the  
23 14 judicial district department of correctional services and that  
23 15 court debt collected pursuant to section 602.8107 has been  
23 16 paid. The purposes of probation are to provide maximum  
23 17 opportunity for the rehabilitation of the defendant and to  
23 18 protect the community from further offenses by the defendant  
23 19 and others.

23 20 4. In determining the length of the probation, the court  
23 21 shall determine what period is most likely to provide maximum  
23 22 opportunity for the rehabilitation of the defendant, to allow  
23 23 enough time to determine whether or not rehabilitation has  
23 24 been successful, and to protect the community from further  
23 25 offenses by the defendant and others.

23 26 Sec. 25. Section 907.9, subsections 1, 2, and 4, Code  
23 27 2007, are amended to read as follows:

23 28 1. At any time that the court determines that the purposes  
23 29 of probation have been fulfilled and ~~any~~ fees imposed under  
23 30 ~~sections 815.9 and section 905.14 and court debt collected~~  
23 31 pursuant to section 602.8107 have been paid, the court may  
23 32 order the discharge of a person from probation.

23 33 2. At any time that a probation officer determines that  
23 34 the purposes of probation have been fulfilled and ~~any~~ fees  
23 35 imposed under ~~sections 815.9 and section 905.14 and court debt~~  
24 1 collected pursuant to section 602.8107 have been paid, the  
24 2 officer may order the discharge of a person from probation  
24 3 after approval of the district director and notification of  
24 4 the sentencing court and the county attorney who prosecuted  
24 5 the case.

24 6 4. At the expiration of the period of probation ~~and~~ if the  
24 7 fees imposed under ~~sections 815.9 and section 905.14 and court~~  
24 8 debt collected pursuant to section 602.8107 have been paid or  
24 9 on condition that unpaid supervision fees be paid, the court  
24 10 shall order the discharge of the person from probation, ~~and~~  
24 11 ~~the~~. If portions of the court debt remain unpaid, the person  
24 12 shall establish a payment plan with the clerk of the district  
24 13 court prior to the discharge. The court shall forward to the  
24 14 governor a recommendation for or against restoration of  
24 15 citizenship rights to that person upon discharge. A person  
24 16 who has been discharged from probation shall no longer be held  
24 17 to answer for the person's offense. Upon discharge from  
24 18 probation, if judgment has been deferred under section 907.3,  
24 19 the court's criminal record with reference to the deferred  
24 20 judgment shall be expunged. The record maintained by the  
24 21 state court administrator as required by section 907.4 shall  
24 22 not be expunged. The court's record shall not be expunged in  
24 23 any other circumstances.

24 24 Sec. 26. Section 909.8, Code 2007, is amended to read as  
24 25 follows:

24 26 909.8 PAYMENT AND COLLECTION PROVISIONS APPLY TO  
24 27 SURCHARGE.

24 28 The provisions of this chapter governing the payment and  
24 29 collection of a fine, except section 909.3A, also apply to the  
24 30 payment and collection of surcharges imposed pursuant to  
24 31 chapter 911. ~~However, section 909.10 shall not apply to~~  
24 32 ~~surcharges assessed under sections 911.3 and 911.4.~~

24 33 Sec. 27. Section 909.10, Code 2007, is repealed.

24 34 Sec. 28. DEPARTMENT OF REVENUE == COLLECTION SYSTEM

24 35 UPGRADE. The director of the department of revenue shall  
25 1 enhance the computer assisted collections system of the  
25 2 department to the current web-based technical version and  
25 3 implement related process and procedure improvements that will  
25 4 generate revenue and cost benefits. The director shall  
25 5 procure the enhancements from the current vendor, and such  
25 6 enhancements shall be considered as an upgrade to that  
25 7 vendor's contract with the department.

25 8 Sec. 29. LEGISLATIVE INTENT. It is the intent of the  
25 9 general assembly that the judicial branch enter into a  
25 10 contract with a private collection designee by August 1, 2008,  
25 11 and begin collection efforts pursuant to section 602.8107, as  
25 12 amended by this Act, on August 1, 2008.

25 13 EXPLANATION

25 14 This bill relates to the collection of delinquent debt owed  
25 15 the state and political subdivisions of the state.

25 16 DIVISION I == GAMBLING SETOFF. The division provides that  
25 17 the state racing and gaming commission shall require licensees

25 18 under Code chapter 99D (pari-mutuel wagering) and Code chapter  
25 19 99F (gambling boats, structures, and racetracks) to establish  
25 20 a process for licensees to have electronic access to names and  
25 21 social security numbers of debtors of claimant agencies  
25 22 through a secured interactive web site maintained by the  
25 23 state.

25 24 The division defines "claimant agency" to mean a "state  
25 25 agency" as defined in Code section 8A.504 or the state court  
25 26 administrator. Thus, a "claimant agency" under the bill means  
25 27 a board, commission, department, including the department of  
25 28 administrative services, or other administrative office or  
25 29 unit of the state of Iowa or any other state entity reported  
25 30 in the Iowa comprehensive annual financial report, or a  
25 31 political subdivision of the state, or an office or unit of a  
25 32 political subdivision. "Claimant agency" does include the  
25 33 clerk of the district court as it relates to the collection of  
25 34 a qualifying debt. "Claimant agency" does not include the  
25 35 general assembly or the governor.

26 1 Under the division, the licensee is authorized and directed  
26 2 to withhold winnings equal to or greater than \$10,000 per  
26 3 occurrence paid out directly by the licensee, subject to the  
26 4 lien created by the division. The division directs the  
26 5 licensee to pay the funds collected to the collection entity  
26 6 which administers the setoff program pursuant to Code section  
26 7 8A.504.

26 8 The division provides that, notwithstanding any other  
26 9 provision of law to the contrary, the licensee and the  
26 10 claimant agency may exchange necessary information to  
26 11 effectuate the division. The division also provides that  
26 12 information obtained by the claimant agency or the licensee  
26 13 shall not be disclosed for any other purpose but to effectuate  
26 14 the division. If information is improperly disclosed by an  
26 15 employee or former employee of a claimant agency or licensee,  
26 16 the person is subject to penalties specified by law for  
26 17 unauthorized disclosure of confidential information by an  
26 18 agent or employee.

26 19 The division provides that a claimant agency or licensee  
26 20 acting in good faith shall not be liable for actions taken to  
26 21 comply with the division.

26 22 DIVISION II == LICENSING SANCTIONS. For debt placed with  
26 23 the centralized collection unit of the department of revenue,  
26 24 the division requires the centralized collection unit to issue  
26 25 a certificate of noncompliance to a licensing authority if a  
26 26 licensee owes a debt greater than \$1,000 placed with the  
26 27 centralized collection unit.

26 28 The division defines "license" to mean a license,  
26 29 certification, registration, permit, approval, renewal, or  
26 30 other similar authorization issued to a person by a licensing  
26 31 authority which evidences the admission to, or granting of  
26 32 authority to engage in, a profession, occupation, business,  
26 33 industry, or recreation. The term "license" includes a  
26 34 hunting or fishing license, or a license for other  
26 35 recreational activity.

27 1 Under the division, if a certificate of noncompliance is  
27 2 issued by the centralized collection unit, the licensing  
27 3 authority shall initiate proceedings to refuse to issue or  
27 4 renew, or to suspend or revoke the license of the person,  
27 5 unless the centralized collection unit provides the licensing  
27 6 authority with a withdrawal of a certificate of noncompliance.

27 7 The licensee may schedule a conference with the centralized  
27 8 collection unit prior to the issuance of a certificate of  
27 9 noncompliance to the licensing authority. The centralized  
27 10 collection unit shall issue a certificate of noncompliance  
27 11 following a conference unless any of the following apply: the  
27 12 unit finds a mistake in the identity of the person; the unit  
27 13 finds a mistake in determining the amount of the liability;  
27 14 the unit determines the amount of the liability is not in  
27 15 excess of \$1,000; the debtor enters into an acceptable payment  
27 16 plan; or the issuance of the certificate of noncompliance is  
27 17 not appropriate under the criteria established in accordance  
27 18 with rules adopted by the department of revenue. The  
27 19 centralized collection unit shall issue a withdrawal of the  
27 20 certificate of noncompliance to the licensing authority for  
27 21 the aforementioned reasons as well.

27 22 The division provides that if, after a conference, the  
27 23 centralized collection unit issues a written decision issuing  
27 24 a certificate of noncompliance the debtor may request a  
27 25 hearing in district court in the county where a majority of  
27 26 the debt was incurred. If the debtor requests a hearing in  
27 27 district court, the scope of review by the court shall be  
27 28 limited to the amount of the liability owed or the identity of

27 29 the debtor. If the court finds an error, the centralized  
27 30 collection unit shall issue a withdrawal of a certificate of  
27 31 noncompliance.

27 32 DIVISION III == COLLECTION OF DELINQUENT COURT DEBT.

27 33 The division establishes procedures and methods for  
27 34 collecting court debt.

27 35 The division defines "court debt" to mean all fines,  
28 1 penalties, court costs, fees, forfeited bail, surcharges under  
28 2 Code chapter 911, victim restitution, restitution for  
28 3 court-appointed attorney fees or expenses of the public  
28 4 defender, or fees charged pursuant to section 356.7 or  
28 5 904.108.

28 6 Under the division, court debt is deemed delinquent if it  
28 7 is not paid within 30 days after the date it is assessed or  
28 8 ordered due, or 30 days after an installment payment is due.

28 9 Current law provides that court debt is deemed delinquent  
28 10 if not paid within six months after assessment or ordered due,  
28 11 or 30 days after an installment payment is due.

28 12 New Code section 321.11A permits the judicial branch, the  
28 13 department of revenue and the department of administrative  
28 14 services to have access to department of transportation  
28 15 information that identifies a person by the person's social  
28 16 security number for purposes of debt collection.

28 17 New Code section 901.5C requires a criminal defendant to  
28 18 provide the social security number of the defendant to the  
28 19 court prior to pleading guilty or sentencing for purposes of  
28 20 collecting court debt.

28 21 The division amends Code section 907.9 to require a person  
28 22 on probation to establish a payment plan with the clerk of the  
28 23 district court prior to discharge.

28 24 COLLECTION BY CENTRALIZED COLLECTION UNIT OF DEPARTMENT OF  
28 25 REVENUE. If court debt is deemed delinquent, the judicial  
28 26 branch may assign a case containing court debt to the  
28 27 centralized collection unit of the department of revenue for  
28 28 collection for a period of 60 days. Current law does not  
28 29 impose a time period for collection efforts performed by the  
28 30 centralized collection unit. Under the bill and in current  
28 31 law the department of revenue may impose a fee established by  
28 32 rule to reflect the cost of processing which shall be added to  
28 33 the court debt owed. Any amounts collected by the centralized  
28 34 collection unit shall be first applied to the processing fee  
28 35 and the remaining amounts shall be remitted to the clerk of  
29 1 the district court in the county in which the debt is owed.

29 2 COLLECTION BY COUNTY ATTORNEY. The division amends Code  
29 3 section 96.11 to permit a county attorney to have access to  
29 4 department of workforce development information at the office  
29 5 of the county attorney, if the county attorney pays for the  
29 6 installation of equipment to provide such access. Current law  
29 7 provides a county attorney with access to department of  
29 8 workforce development information but the access is only  
29 9 provided at local workforce development offices.

29 10 The division amends Code section 321.40 to require the  
29 11 county treasurer to refuse to renew the registration of a  
29 12 vehicle registered to a person who has delinquent court debt  
29 13 being collected by the county attorney. If a person enters  
29 14 into or renews a payment plan that is satisfactory to the  
29 15 county attorney or the county attorney's designee, the  
29 16 division provides for a procedure where the county attorney  
29 17 can temporarily lift a registration hold so the person can  
29 18 register a vehicle.

29 19 The county attorney or the county attorney's designee may  
29 20 collect court debt 60 days after the court debt is deemed  
29 21 delinquent. In order to receive a percentage of the amounts  
29 22 collected pursuant to this division the county attorney must  
29 23 file a list of cases with the clerk of the district court in  
29 24 which the county attorney or the county attorney's designee  
29 25 intends to collect the delinquent court debt.

29 26 The division provides that the county attorney collection  
29 27 does not apply to amounts collected for victim restitution,  
29 28 the victim compensation fund, the criminal penalty surcharge,  
29 29 the law enforcement surcharge, the county enforcement  
29 30 surcharge, amounts collected as a result of procedures  
29 31 initiated by a private collection designee or under Code  
29 32 section 8A.504, or fees charged pursuant to Code section  
29 33 356.7.

29 34 After the amounts not subject to county attorney collection  
29 35 have been paid, the division provides that the amounts  
30 1 collected by the county attorney shall be distributed as  
30 2 follows:

30 3 1. Forty percent of the amounts collected by the county  
30 4 attorney or the county attorney's designee shall be deposited

30 5 into the general fund of the county where the court debt was  
30 6 assessed.

30 7 2. Of the remaining 60 percent of the funds collected by  
30 8 the county attorney, the following amounts shall be paid each  
30 9 fiscal year to the clerk of the district court for  
30 10 distribution under Code section 602.8108:

30 11 a. For a county with a population equal to or greater than  
30 12 100,000, an amount up to \$500,000.

30 13 b. For a county with a population of less than 100,000, an  
30 14 amount up to \$250,000.

30 15 3. If the threshold amounts of \$500,000 or \$250,000 have  
30 16 been distributed under Code section 602.8108, any additional  
30 17 moneys collected by an individual county shall be distributed  
30 18 by the state court administrator as follows:

30 19 a. Forty percent of the amounts collected by the county  
30 20 attorney or the county attorney's designee shall be deposited  
30 21 into the general fund of the county where the court debt was  
30 22 assessed.

30 23 b. Twenty percent of the remaining 60 percent shall be  
30 24 deposited with the office of the county attorney that  
30 25 collected the moneys.

30 26 c. The remainder shall be paid to the clerk of the  
30 27 district court for distribution under Code section 602.8108.

30 28 PRIVATE COLLECTION DESIGNEE. The division provides that  
30 29 the judicial branch may contract with a private collection  
30 30 designee for the collection of court debt 60 days after the  
30 31 court debt in a case is deemed delinquent if the county  
30 32 attorney is not collecting the court debt deemed delinquent in  
30 33 a case.

30 34 The division provides that the contract shall provide for a  
30 35 collection fee equal to 25 percent of the amount of the court  
31 1 debt in a case deemed delinquent. The division provides that  
31 2 the collection fee as calculated shall be added to the amount  
31 3 of the court debt deemed delinquent. The amount of the court  
31 4 debt deemed delinquent and the collection fee shall be owed by  
31 5 and collected from the defendant. The collection fee shall be  
31 6 used to compensate the private collection designee. The  
31 7 division provides that subject to the collection fee used to  
31 8 compensate the private collection designee, the amounts  
31 9 collected shall be distributed as provided in Code section  
31 10 602.8107, subsection 2, as amended by the division.

31 11 The division also provides that the contract may assess the  
31 12 private collection designee an initial fee for entering into  
31 13 the contract.

31 14 WRITE OFF OLD DEBT. The division provides that any portion  
31 15 of court debt that remains uncollected 65 years from the date  
31 16 of imposition shall be written off as uncollectible and the  
31 17 case shall be closed for purposes of collection.

31 18 JURY AND WITNESS FUND. The division repeals Code section  
31 19 909.10, which deposits payments for delinquent fines and  
31 20 surcharges that are more than two years old into the jury and  
31 21 witness fee fund established in Code section 602.1302.

31 22 DEPARTMENT OF REVENUE == COLLECTION SYSTEM. The division  
31 23 requires the director of the department of revenue to enhance  
31 24 the computer-assisted collections system of the department to  
31 25 the current web-based technical version. The division  
31 26 requires the director to procure the enhancements from the  
31 27 current vendor, and such enhancements shall be considered an  
31 28 upgrade to the vendor's contract with the department of  
31 29 revenue.

31 30 LSB 5215SV 82  
31 31 jm/nh/8.1