

Senate File 197 - Introduced

SENATE FILE 197

BY WILHELM

A BILL FOR

1 An Act relating to the collection of a small claims judgment
2 by the centralized collection unit of the department of
3 revenue, and providing for a fee.

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

1 Section 1. Section 421.17, subsection 27, paragraph a, Code
2 2013, is amended to read as follows:

3 a. To establish, administer, and make available a
4 centralized debt collection capability and procedure for
5 the use by a creditor in small claims court and any state
6 agency or local government entity including, but not limited
7 to, the department of revenue, along with other boards,
8 commissions, departments, and any other entity reported in
9 the Iowa comprehensive annual financial report, to collect
10 delinquent accounts, charges, fees, loans, taxes, or other
11 indebtedness owed to or being collected by the state. The
12 department's collection facilities shall only be available for
13 use by other state agencies or local government entities for
14 their discretionary use when resources are available to the
15 director and subject to the director's determination that use
16 of the procedure is feasible, except the facilities shall be
17 made available as provided in section 631.18. The director
18 shall prescribe the appropriate form and manner in which this
19 information is to be submitted to the office of the department.
20 The obligations or indebtedness must be delinquent and not
21 subject to litigation, claim, appeal, or review pursuant to the
22 appropriate remedies of each state agency or local government
23 entity.

24 Sec. 2. NEW SECTION. 631.18 **Collection of unpaid judgment**
25 **by department of revenue.**

26 1. Ninety days after an affidavit of default has been
27 filed, the judicial branch shall assign any unpaid balance of
28 the judgment in the case to the centralized collection unit
29 of the department of revenue under section 421.17, subsection
30 17, to collect on the judgment on behalf of the party owed the
31 judgment.

32 2. The department of revenue may impose a fee to reflect the
33 cost of collecting on the judgment. The fee shall be deducted
34 first from any amounts collected by the centralized collection
35 unit. The remaining amounts shall be remitted to the clerk of

1 the district court for the county in which the debt is owed and
2 shall be applied to the unpaid balance of the judgment.

3 3. The judicial branch and the director of revenue shall
4 adopt rules to implement and administer this section.

5

EXPLANATION

6 This bill relates to the collection of a small claims
7 judgment by the centralized collection unit of the department
8 of revenue, and provides for a fee.

9 Under the bill, 90 days after an affidavit of default
10 has been filed on a judgment in the small claims docket and
11 district court lien book, the judicial branch shall assign any
12 unpaid balance of the judgment in the case to the centralized
13 collection unit of the department of revenue to collect on the
14 judgment on behalf of the party owed the judgment.

15 The centralized collection unit of the department of revenue
16 is required to use the unit to collect small claims judgments
17 as provided in the bill.

18 The bill allows the department of revenue to impose a fee to
19 reflect the cost of collection which shall be deducted from the
20 amounts collected.

21 The bill also requires that the judicial branch and the
22 director of revenue adopt rules to implement and administer the
23 bill.