

**Senate Study Bill 3182 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

**A BILL FOR**

1 An Act relating to the collection of delinquent court debt and  
2 associated installment agreements.

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

1 Section 1. Section 321.210B, subsection 1, Code 2016, is  
2 amended to read as follows:

3 1. a. If a person's fine, penalty, surcharge, or court  
4 cost is deemed delinquent as provided in section 602.8107,  
5 subsection 2, and the person's driver's license has been  
6 suspended or is in the process of being suspended pursuant  
7 to section 321.210A, the person may execute an installment  
8 agreement as defined in section 602.8107 with the county  
9 attorney, the county attorney's designee, or the private  
10 collection designee under contract with the judicial branch  
11 pursuant to section 602.8107, subsection 5, to pay the  
12 delinquent amount and the civil penalty assessed in subsection  
13 7 in installments. Prior to execution of the installment  
14 agreement, the person shall provide the county attorney, the  
15 county attorney's designee, or the private collection designee  
16 with a financial statement in order for the parties to the  
17 agreement to determine the amount of the installment payments.  
18 b. Cases involving court debt assigned to a county attorney,  
19 a county attorney's designee, or the private collection  
20 designee shall remain so assigned.

21 Sec. 2. Section 321.210B, subsection 4, Code 2016, is  
22 amended to read as follows:

23 4. Upon receipt of an executed installment agreement  
24 and after the first installment payment to the clerk of  
25 the district court, the clerk of the district court shall  
26 report the receipt of the executed installment agreement to  
27 the department of transportation, and the department shall  
28 immediately reinstate the person's license under section  
29 321.210A for a case included in the executed installment  
30 agreement.

31 Sec. 3. Section 321.210B, subsection 12, Code 2016, is  
32 amended by striking the subsection.

33 Sec. 4. Section 602.8107, subsection 3, paragraphs a and c,  
34 Code 2016, are amended to read as follows:

35 a. Thirty days after court debt has been assessed and full

1 payment has not been received, or if an installment payment is  
2 not received within thirty days after the date it is due, the  
3 judicial branch shall assign a case to the private collection  
4 designee under contract with the judicial branch pursuant to  
5 subsection 5 to collect debts owed to the clerk of the district  
6 court, unless the case has been assigned to the county attorney  
7 under paragraph "c".

8     *c.* If Thirty days after court debt has been assessed and  
9 full payment has not been received, or if an installment  
10 payment is not received within thirty days after the date it  
11 is due, and if a county attorney has filed with the clerk  
12 of the district court a notice of full commitment to collect  
13 delinquent court debt pursuant to subsection 4, the court  
14 debt in a case shall be assigned after sixty days to the  
15 county attorney as provided in subsection 4, if the court debt  
16 in a case is not part of an installment agreement with the  
17 private collection designee under contract with the judicial  
18 branch pursuant to subsection 5. The judicial branch shall  
19 assign cases with delinquent court debt to a county attorney  
20 in the same format and with the same frequency as cases with  
21 delinquent court debt are assigned to the private collection  
22 designee under paragraph "a", and a county attorney shall not  
23 be required to file an individual notice of full commitment  
24 to collect delinquent court debt for each assigned case. If  
25 the county attorney or the county attorney's designee, while  
26 collecting delinquent court debt pursuant to subsection 4,  
27 determines that a person owes additional court debt for which a  
28 case has not been assigned by the judicial branch, the county  
29 attorney or the county attorney's designee shall notify the  
30 clerk of the district court of the appropriate case numbers  
31 and the judicial branch shall assign these cases to the  
32 county attorney for collection if the additional court debt is  
33 delinquent.

34     Sec. 5. Section 602.8107, subsection 4, Code 2016, is  
35 amended to read as follows:

1     4. *County attorney collection.* The county attorney or  
2 the county attorney's designee may collect court debt ~~sixty~~  
3 ~~days~~ after the court debt is deemed delinquent pursuant to  
4 subsection 2. In order to receive a percentage of the amounts  
5 collected pursuant to this subsection, the county attorney  
6 must first file annually with the clerk of the district court  
7 on or before July 1 of the first year the county attorney  
8 collects court debt under this subsection, a notice of full  
9 commitment to collect delinquent court debt, and a memorandum  
10 of understanding with the state court administrator for all  
11 cases assigned to the county for collection by the court. The  
12 ~~annual~~ notice shall contain a list of procedures which will  
13 be initiated by the county attorney. For a county attorney  
14 filing a notice of full commitment for the first time, the  
15 cases involving delinquent court debt previously assigned  
16 to the private collection designee shall remain assigned to  
17 the private collection designee. Cases involving delinquent  
18 court debt assigned to the county attorney after the filing  
19 of a notice of full commitment by the county attorney shall  
20 remain assigned to the county attorney. A county attorney who  
21 chooses to discontinue collection of delinquent court debt  
22 shall file with the clerk of the district court on or before  
23 May 15 a notice of the intent to cease collection of delinquent  
24 court debt at the start of the next fiscal year. If a county  
25 attorney ceases collection efforts, or if the state court  
26 administrator deems that a county attorney collections program  
27 has become ineligible to collect as specified in paragraph  
28 "f", all cases involving delinquent court debt assigned to  
29 the county attorney, including court debt associated with any  
30 existing installment agreement, shall remain assigned to the  
31 county for collection unless an installment payment becomes  
32 delinquent, after which the portion of the cases involving  
33 all the remaining delinquent court debt associated with the  
34 installment agreement shall be transferred to the private  
35 collection designee for collection on July 1.

1     *a.* This subsection does not apply to amounts collected for  
2 victim restitution, the victim compensation fund, the criminal  
3 penalty surcharge, sex offender civil penalty, drug abuse  
4 resistance education surcharge, the law enforcement initiative  
5 surcharge, county enforcement surcharge, amounts collected as  
6 a result of procedures initiated under subsection 5 or under  
7 section 8A.504, or fees charged pursuant to section 356.7.

8     *b.* Amounts collected by the county attorney or the county  
9 attorney's designee shall be distributed in accordance with  
10 paragraphs "c" and "d".

11     *c.* (1) ~~Forty~~ Twenty-eight percent of the amounts collected  
12 by the county attorney or the person procured or designated by  
13 the county attorney shall be deposited in the general fund of  
14 the county if the county attorney has filed the notice required  
15 by this subsection, unless the county attorney has discontinued  
16 collection efforts on a particular delinquent amount.

17     (2) The remaining ~~sixty~~ seventy-two percent shall be  
18 paid to the clerk of the district court each fiscal year for  
19 distribution under section 602.8108. However, if such amount,  
20 when added to the amount deposited into the general fund of  
21 the county pursuant to subparagraph (1), exceeds the following  
22 applicable threshold amount, the excess shall be distributed  
23 as provided in paragraph "d":

24     (a) For a county with a population greater than one hundred  
25 fifty thousand, an amount up to ~~five hundred thousand~~ one  
26 million dollars.

27     (b) For a county with a population greater than one hundred  
28 thousand but not more than one hundred fifty thousand, an  
29 amount up to ~~four~~ six hundred thousand dollars.

30     (c) For a county with a population greater than fifty  
31 thousand but not more than one hundred thousand, an amount up  
32 to ~~two hundred fifty~~ three hundred thousand dollars.

33     (d) For a county with a population greater than twenty-six  
34 thousand but not more than fifty thousand, an amount up to one  
35 hundred thousand dollars.

1 (e) For a county with a population greater than fifteen  
2 thousand but not more than twenty-six thousand, an amount up to  
3 fifty thousand dollars.

4 (f) For a county with a population equal to or less than  
5 fifteen thousand, an amount up to twenty-five thousand dollars.

6 ~~d. Any additional moneys collected by an individual county~~  
7 ~~after the distributions in paragraph "c" shall be distributed~~  
8 ~~by the state court administrator as follows: forty percent of~~  
9 ~~any additional moneys collected by the county attorney or the~~  
10 ~~person procured or designated by the county attorney shall be~~  
11 ~~deposited in the general fund of the county where the moneys~~  
12 ~~were collected; twenty percent of the remaining sixty percent~~  
13 ~~collected by the county attorney or the person procured or~~  
14 ~~designated by the county attorney~~ After the total collected by  
15 a county attorney exceeds the threshold amount set in paragraph  
16 "c", and for the remainder of the fiscal year, five percent  
17 of the additional moneys collected shall be deposited with  
18 the office of the county attorney that collected the moneys;  
19 twenty-eight percent of the additional moneys collected shall  
20 be deposited in the general fund of the county where the moneys  
21 were collected; and the remainder remaining sixty-seven percent  
22 of the additional moneys shall be paid to the clerk of the  
23 district court for distribution under [section 602.8108](#) or the  
24 state court administrator may distribute the remainder under  
25 [section 602.8108](#) if the additional moneys have already been  
26 received by the state court administrator.

27 e. (1) A county may enter into an agreement pursuant to  
28 chapter 28E with one or more other counties for the purpose of  
29 collecting delinquent court debt pursuant to [this subsection](#).

30 (2) ~~Notwithstanding paragraph "c", if a county subject~~  
31 ~~to the threshold amount in paragraph "c", subparagraph (2),~~  
32 ~~subparagraph division (e) or (f) enters into such an agreement~~  
33 ~~exclusively with a county or counties subject to the threshold~~  
34 ~~amount in paragraph "c", subparagraph (2), subparagraph~~  
35 ~~division (e) or (f), the threshold amount applicable to all~~

1 ~~of the counties combined shall be a single threshold amount,~~  
2 ~~equal to the threshold amount attributable to the county with~~  
3 ~~the largest population~~ When a county enters into a chapter 28E  
4 agreement with another county or counties to collect delinquent  
5 court debt, the county or the county debt collection designee  
6 must collect an amount of delinquent court debt that originated  
7 in the county and that is equal to the applicable threshold  
8 amount under paragraph "c" in order for the county to qualify  
9 for distribution of moneys collected by county attorneys under  
10 paragraph "d".

11 *f.* ~~Beginning July 1, 2010 2017, and every fiscal year~~  
12 ~~thereafter, amounts collected and distributed pursuant to~~  
13 ~~this subsection shall be equal to or greater than twenty-five~~  
14 ~~thousand dollars for each county or twenty-five thousand~~  
15 ~~dollars in the aggregate for counties that have entered into an~~  
16 ~~agreement pursuant to chapter 28E. If a county, or counties~~  
17 ~~that have entered into a chapter 28E agreement, fails to meet~~  
18 ~~the minimum threshold established in this paragraph, the~~  
19 ~~county, or counties under the chapter 28E agreement, shall~~  
20 ~~be within two years of beginning to collect delinquent court~~  
21 ~~debt, a county attorney shall be required to collect one~~  
22 ~~hundred percent of the applicable threshold amount specified~~  
23 ~~in paragraph "c". If a county attorney collects more than~~  
24 ~~eighty percent but less than one hundred percent of the~~  
25 ~~applicable threshold amount, the state court administrator~~  
26 ~~shall provide notice to the county attorney specifying that in~~  
27 ~~order to remain eligible to participate in the county attorney~~  
28 ~~collection program, the county attorney must collect at least~~  
29 ~~one hundred twenty-five percent of the applicable threshold~~  
30 ~~amount by the end of the next fiscal year. If a county attorney~~  
31 ~~who has been given such a notice fails to collect one hundred~~  
32 ~~twenty-five percent of the applicable threshold amount, the~~  
33 ~~state court administrator shall provide notice to the county~~  
34 ~~attorney that the county is ineligible to participate in the~~  
35 ~~county attorney collection program for the following next two~~

1 fiscal year years and all existing and future court cases  
2 with delinquent court debt shall be assigned to the private  
3 collection designee. In the event a county is ineligible to  
4 collect under this program, the county may apply to the state  
5 debt coordinator established in ~~section 421C.1~~ to reenter  
6 the program following the fiscal year of ineligibility. The  
7 provisions of this paragraph apply to all counties, including  
8 those counties where delinquent court debt is collected  
9 pursuant to a chapter 28E agreement with one or more counties.

10 Sec. 6. STATE AUDITOR — REPORT. The state auditor shall  
11 review the collection rate for each county that has filed a  
12 notice of full commitment to collect delinquent court debt, and  
13 file a report of the results of the review with the general  
14 assembly by January 1, 2018. Additionally, the state auditor  
15 shall distribute the report to the judicial branch and to each  
16 county attorney who has filed a notice of full commitment to  
17 collect delinquent court debt.

18 Sec. 7. TEMPORARY PROVISION FOR COUNTY COLLECTION  
19 PROGRAMS. Notwithstanding the amendment to section 602.8107,  
20 subsection 4, paragraph "f", in this Act, the provisions of  
21 section 602.8107, subsection 4, paragraph "f", Code 2016, apply  
22 to individual counties or counties entering into a chapter 28E  
23 agreement until June 30, 2017.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with  
26 the explanation's substance by the members of the general assembly.

27 This bill relates to the collection of delinquent court debt  
28 and associated installment agreements.

29 The bill specifies that delinquent court debt assigned to  
30 a county attorney or to the private debt collection designee  
31 shall remain with the collection entity collecting the debt.

32 The bill provides that the department of transportation  
33 shall immediately lift any driver's license suspension due to a  
34 delinquent fine, penalty, surcharge, or court cost under Code  
35 section 321.210A, if the case with the delinquent amount is



1 included in an executed installment agreement.

2 The bill strikes Code section 321.210B(12) prohibiting  
3 a fine, penalty, surcharge, or court cost contained in an  
4 installment agreement that is in default from being placed in a  
5 new installment agreement.

6 The bill modifies the distribution formula when a county  
7 attorney collects delinquent court debt.

8 The bill provides that a county attorney may begin  
9 collecting delinquent court debt 30 days after the court debt  
10 is assessed and payment has not been received, if the county  
11 attorney has filed a one-time notice of full commitment to  
12 collect delinquent court debt with the clerk of the district  
13 court. Current law provides that a county attorney may begin  
14 collecting delinquent court debt 60 days after the court debt  
15 is deemed delinquent, and if the county attorney files a notice  
16 of commitment to collect delinquent court debt on an annual  
17 basis with the clerk of the district court.

18 The bill requires that cases involving court debt be  
19 assigned to the county attorney in the same format and with  
20 the same frequency as cases with delinquent court debt are  
21 assigned to the private debt collection designee. If the  
22 county attorney, or the county attorney's designee, determines  
23 that a person has additional delinquent court debt for which a  
24 case has not been assigned by the judicial branch, the county  
25 attorney or the county attorney's designee shall notify the  
26 clerk of the district court of the appropriate case numbers  
27 and the judicial branch shall assign these cases to the  
28 county attorney for collection if the additional court debt is  
29 delinquent.

30 The bill requires the county attorney to also file a  
31 memorandum of understanding with the state court administrator  
32 for all cases assigned to the county attorney for collection  
33 by the court.

34 The bill provides that for a county attorney filing a  
35 notice of full commitment for the first time, the cases with

1 delinquent court debt previously assigned to the private  
2 collection designee shall remain assigned to the private  
3 collection designee. Cases with delinquent court debt assigned  
4 to the county attorney after filing a notice of full commitment  
5 by the county attorney shall remain assigned to the county  
6 attorney.

7 The bill provides that a county attorney who chooses to  
8 discontinue the collection of delinquent court debt shall  
9 file with the clerk of the district court on or before May 15  
10 a notice of the intent to cease collection at the start of  
11 the next fiscal year. If a county ceases collection efforts  
12 under the bill, or if the state court administrator provides  
13 notice that a county attorney collections program has become  
14 ineligible to collect delinquent court debt, the court debt in  
15 any existing installment agreement remains with the county for  
16 collection unless an installment payment becomes delinquent,  
17 after which all the remaining delinquent court debt associated  
18 with the installment agreement must be transferred for  
19 collection to the private collection designee on July 1.

20 The bill and current law provide that the county attorney  
21 is not eligible to retain certain court debt specified in Code  
22 section 602.8107(4)(a). Code section 602.8107(2)(c) continues  
23 to govern the prioritized application of court debt receipts.

24 The bill and current law provide for a two-tier distribution  
25 formula if a county attorney decides to collect delinquent  
26 court debt. Current law and the bill provide for one  
27 distribution formula to the county and the state when the  
28 county attorney collects below a certain threshold dollar  
29 amount and a different distribution formula when a county  
30 attorney exceeds that certain threshold dollar amount. The  
31 bill makes three major changes to the county attorney court  
32 debt collection formula.

33 First, the bill requires 28 percent of the distributable  
34 amount of court debt collected by the county attorney to be  
35 deposited into the county general fund. Current law requires

1 40 percent of the distributable amount of court debt collected  
2 by the county attorney to be deposited into the county general  
3 fund. Current law and the bill provide that the remaining  
4 court debt not deposited into the county general fund be paid  
5 to the clerk of district court for distribution under Code  
6 section 602.8108. Under the bill, this remaining court debt  
7 is 72 percent of the distributable amount of court debt and  
8 is required to be paid to the clerk of the district court for  
9 distribution under Code section 602.8108.

10 Second, the bill changes the threshold dollar amounts  
11 that are in place to further incentivize a county attorney  
12 to continue collecting delinquent court debt. The threshold  
13 dollar amount depends on the population size of the county.  
14 The bill changes the threshold dollar amount for a county with  
15 a population greater than 150,000 from \$500,000 to \$1 million.  
16 The bill changes the threshold dollar amount for a county with  
17 a population greater than 100,000 but not more than 150,000  
18 from \$400,000 to \$600,000. The bill changes the threshold  
19 dollar amount for a county with a population greater than  
20 50,000 but not more than 100,000 from \$250,000 to \$300,000.  
21 The remaining threshold amounts for the less populated counties  
22 are not changed by the bill and are specified in Code section  
23 602.8107(4)(c)(2).

24 Third, after a county attorney's collection of delinquent  
25 court debt exceeds the threshold dollar amount and for the  
26 remainder of the fiscal year, the bill requires 5 percent of  
27 the distributable amount of court debt collected by the county  
28 attorney to be deposited with the office of the county attorney  
29 that collected the debt. Current law requires 12 percent of  
30 the distributable amount of court debt to be deposited with the  
31 office of the county attorney. In addition to the 5 percent  
32 of distributable court debt deposited with the office of the  
33 county attorney that collected the debt, the bill requires 28  
34 percent of the distributable amount of court debt collected  
35 by the county attorney after exceeding the threshold dollar

1 amounts to be deposited into the county general fund. Current  
2 law requires 40 percent of such debt to be deposited into the  
3 county general fund. Current law and the bill requires the  
4 remaining court debt not deposited into the county general fund  
5 be paid to the clerk of district court for distribution under  
6 Code section 602.8108. Under the bill, after exceeding the  
7 threshold dollar amount, 67 percent of the court debt remains  
8 to be paid to the clerk of the district court for distribution  
9 under Code section 602.8108.

10 The bill provides that any county that enters into a Code  
11 chapter 28E agreement with another county or counties to  
12 collect delinquent court debt, must collect an amount in  
13 excess of the applicable threshold dollar amount for that  
14 particular county in order to qualify for the second tier of  
15 the distribution formula and the 5 percent distribution to the  
16 office of the county attorney. The bill specifies that Code  
17 section 602.8107(4)(f), Code 2016, governs individual counties  
18 entering into Code chapter 28E agreements to collect delinquent  
19 court debt until June 30, 2017.

20 The bill provides that beginning July 1, 2017, a county  
21 attorney shall be required to collect 100 percent of the  
22 applicable threshold dollar amount within two years of  
23 beginning to collect delinquent court debt. The bill provides  
24 that if the county attorney collects more than 80 percent  
25 but less than 100 percent of the applicable threshold dollar  
26 amount, the state court administrator shall provide notice to  
27 the county attorney specifying that in order to remain eligible  
28 to participate in the county attorney collection program,  
29 the county attorney must collect at least 125 percent of the  
30 applicable threshold amount by the end of the next fiscal  
31 year. If after a county attorney who has been given such a  
32 notice fails to collect 125 percent of the applicable threshold  
33 amount, the state court administrator shall provide notice to  
34 the county attorney that the county attorney is ineligible to  
35 participate in the county attorney collection program for the

1 next two fiscal years.

2 The bill strikes a reference to the state debt coordinator  
3 in repealed Code section 602.8107(4)(f). The coordinator was  
4 never appointed.

5 The bill requires the state auditor to review the collection  
6 rate for each county that has filed a notice of full commitment  
7 to collect delinquent court debt, and file a report of the  
8 results of the audit with the general assembly by January 1,  
9 2018. The bill requires the state auditor to also distribute  
10 such report to the judicial branch and to each county attorney  
11 who has filed a notice of full commitment to collect delinquent  
12 court debt.