

House Study Bill 656 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to the setoff procedures used by public
2 agencies.

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

1 Section 1. Section 8A.323, subsection 5, Code 2020, is
2 amended to read as follows:

3 5. Any fine that remains unpaid upon becoming delinquent
4 may be collected by the department of revenue pursuant to the
5 setoff procedures provided for in [section 8A.504 421.65](#). For
6 purposes of [this subsection](#), a fine becomes delinquent if
7 it has not been paid within thirty days of the date of the
8 issuance of the parking citation, unless a written request for
9 a hearing is filed as provided pursuant to the rules of the
10 department of revenue. If an appeal is filed and the citation
11 is upheld, the fine becomes delinquent ten days after the
12 issuance of the final decision on the appeal or thirty-one
13 days after the date of the issuance of the parking citation,
14 whichever is later.

15 Sec. 2. Section 8A.502, subsection 2, Code 2020, is amended
16 by striking the subsection.

17 Sec. 3. Section 96.11, subsection 16, Code 2020, is amended
18 to read as follows:

19 16. *Reimbursement of setoff costs.* The department shall
20 include in the amount set off in accordance with section ~~8A.504~~
21 [421.65](#), for the collection of an overpayment created pursuant
22 to [section 96.3, subsection 7](#), or section 96.16, subsection
23 4, an additional amount for the reimbursement of setoff costs
24 incurred by the department of ~~administrative services~~ revenue.

25 Sec. 4. Section 99D.2, subsection 3, Code 2020, is amended
26 to read as follows:

27 3. "*Claimant agency*" means a public agency as defined
28 in [section 8A.504 421.65, subsection 1](#), or the state court
29 administrator as defined in [section 602.1101](#).

30 Sec. 5. Section 99D.28, subsection 2, Code 2020, is amended
31 to read as follows:

32 2. The licensee is authorized and directed to withhold
33 any winnings of a debtor which are paid out directly by the
34 licensee subject to the lien created by [this section](#) and
35 provide notice of such withholding to the winner when the

1 winner appears and claims winnings in person. The licensee
2 shall pay the funds over to the collection entity which
3 administers the setoff program pursuant to section ~~8A.504~~
4 421.65.

5 Sec. 6. Section 99F.1, subsection 5, Code 2020, is amended
6 to read as follows:

7 5. "*Claimant agency*" means a public agency as defined
8 in section ~~8A.504~~ 421.65, subsection 1, or the state court
9 administrator as defined in section 602.1101.

10 Sec. 7. Section 99F.19, subsection 2, Code 2020, is amended
11 to read as follows:

12 2. The licensee is authorized and directed to withhold
13 any winnings of a debtor which are paid out directly by the
14 licensee subject to the lien created by this section and
15 provide notice of such withholding to the winner when the
16 winner appears and claims winnings in person. The licensee
17 shall pay the funds over to the collection entity which
18 administers the setoff program pursuant to section ~~8A.504~~
19 421.65.

20 Sec. 8. Section 99G.38, subsection 3, Code 2020, is amended
21 to read as follows:

22 3. The state of Iowa offset program, as provided in
23 section ~~8A.504~~ 421.65, shall be available to the authority to
24 facilitate receipt of funds owed to the authority.

25 Sec. 9. Section 217.34, Code 2020, is amended to read as
26 follows:

27 **217.34 Debt setoff.**

28 The investigations division of the department of inspections
29 and appeals and the department of human services shall provide
30 assistance to set off against a person's or provider's income
31 tax refund or rebate any debt which has accrued through written
32 contract, nonpayment of premiums pursuant to section 249A.3,
33 subsection 2, paragraph "a", subparagraph (1), subrogation,
34 departmental recoupment procedures, or court judgment and which
35 is in the form of a liquidated sum due and owing the department

1 of human services. The department of inspections and appeals,
2 with approval of the department of human services, shall adopt
3 rules under [chapter 17A](#) necessary to assist the department of
4 ~~administrative services revenue~~ in the implementation of the
5 setoff under [section 8A-504 421.65](#) in regard to money owed to
6 the state for public assistance overpayments or nonpayment
7 of premiums as specified in [this section](#). The department of
8 human services shall adopt rules under [chapter 17A](#) necessary to
9 assist the department of ~~administrative services revenue~~ in the
10 implementation of the setoff under [section 8A-504 421.65](#), in
11 regard to collections by the child support recovery unit and
12 the foster care recovery unit.

13 Sec. 10. Section 234.8, Code 2020, is amended to read as
14 follows:

15 **234.8 Fees for child welfare services.**

16 The department of human services may charge a fee for
17 child welfare services to a person liable for the cost of the
18 services. The fee shall not exceed the reasonable cost of the
19 services. The fee shall be based upon the person's ability
20 to pay and consideration of the fee's impact upon the liable
21 person's family and the goals identified in the case permanency
22 plan. The department may assess the liable person for the fee
23 and the means of recovery shall include a setoff against an
24 amount owed by a state agency to the person assessed pursuant
25 to [section 8A-504 421.65](#). In addition the department may
26 establish an administrative process to recover the assessment
27 through automatic income withholding. The department shall
28 adopt rules pursuant to [chapter 17A](#) to implement the provisions
29 of [this section](#). [This section](#) does not apply to court-ordered
30 services provided to juveniles which are a charge upon the
31 state pursuant to [section 232.141](#) and services for which the
32 department has established a support obligation pursuant to
33 section 234.39.

34 Sec. 11. Section 252B.5, subsection 4, Code 2020, is amended
35 to read as follows:

1 4. Assistance to set off against a debtor's income tax
2 refund or rebate any support debt, which is assigned to
3 the department of human services or which the child support
4 recovery unit is attempting to collect on behalf of any
5 individual not eligible as a public assistance recipient, which
6 has accrued through written contract, subrogation, or court
7 judgment, and which is in the form of a liquidated sum due
8 and owing for the care, support, or maintenance of a child.
9 Unless the periodic payment plan provisions for a retroactive
10 modification pursuant to [section 598.21C](#) apply, the entire
11 amount of a judgment for accrued support, notwithstanding
12 compliance with a periodic payment plan or regardless of the
13 date of entry of the judgment, is due and owing as of the date
14 of entry of the judgment and is delinquent for the purposes of
15 setoff, including for setoff against a debtor's federal income
16 tax refund or other federal nontax payment. The department
17 of human services shall adopt rules pursuant to [chapter 17A](#)
18 necessary to assist the department of ~~administrative services~~
19 revenue in the implementation of the child support setoff as
20 established under [section 8A-504 421.65](#).

21 Sec. 12. Section 261.37, subsection 7, Code 2020, is amended
22 to read as follows:

23 7. To establish an effective system for the collection of
24 delinquent loans, including the adoption of an agreement with
25 the department of ~~administrative services~~ revenue to set off
26 against a defaulter's income tax refund or rebate the amount
27 that is due because of a default on a loan made under this
28 subchapter. The commission shall adopt rules under chapter
29 17A necessary to assist the department of ~~administrative~~
30 ~~services~~ revenue in the implementation of the student loan
31 setoff program as established under [section 8A-504 421.65](#).
32 The commission shall apply administrative wage garnishment
33 procedures authorized under the federal Higher Education Act of
34 1965, as amended and codified in 20 U.S.C. §1071 et seq., for
35 all delinquent loans, including loans authorized under section

1 261.38, when a defaulter who is financially capable of paying
2 fails to voluntarily enter into a reasonable payment agreement.
3 In no case shall the commission garnish more than the amount
4 authorized by federal law for all loans being collected by the
5 commission, including those authorized under [section 261.38](#).

6 Sec. 13. Section 321.11A, subsection 1, Code 2020, is
7 amended to read as follows:

8 1. Notwithstanding [section 321.11](#), the department, upon
9 request, shall provide personal information that identifies
10 a person by the social security number of the person to the
11 following:

12 a. The department of revenue for the ~~purpose~~ purposes of
13 collecting debt and administering the setoff program pursuant
14 to section 421.65.

15 b. The judicial branch for the purpose of collecting court
16 debt pursuant to [section 602.8107](#).

17 ~~c. The department of administrative services for the purpose~~
18 ~~of administering the setoff program pursuant to [section 8A.504](#).~~

19 Sec. 14. Section 321.31, subsection 1, paragraph c, Code
20 2020, is amended to read as follows:

21 c. The director shall maintain a records system of
22 delinquent accounts owed to the state using information
23 provided through the computerized data bank established in
24 section 421.17. The department and county treasurers shall use
25 the information maintained in the records system to determine
26 if applicants for renewal of registration have delinquent
27 accounts, charges, fees, loans, taxes, or other indebtedness
28 owed to or being collected by the state as provided pursuant
29 to [section 8A.504 421.65](#). The director, ~~the director of the~~
30 ~~department of administrative services,~~ and the director of
31 revenue shall establish procedures for updating the delinquent
32 accounts records to add and remove accounts, as applicable.

33 Sec. 15. Section 321.40, subsection 6, paragraph a, Code
34 2020, is amended to read as follows:

35 a. The department or the county treasurer shall refuse

1 to renew the registration of a vehicle registered to the
2 applicant if the department or the county treasurer knows that
3 the applicant has a delinquent account, charge, fee, loan,
4 taxes, or other indebtedness owed to or being collected by the
5 state, from information provided pursuant to sections ~~8A.504~~
6 and 421.17 and 421.65. An applicant may contest this action
7 by initiating a contested case proceeding with the agency
8 that referred the debt for collection pursuant to section
9 ~~8A.504~~ 421.65. The department of revenue and the department
10 of transportation shall notify the county treasurers through
11 the distributed teleprocessing network of persons who owe
12 such a delinquent account, charge, fee, loan, taxes, or other
13 indebtedness.

14 Sec. 16. NEW SECTION. **421.65 Setoff procedures.**

15 1. *Definitions.* As used in this section, unless the context
16 otherwise requires:

17 a. "*Collection entity*" means the department of revenue and
18 any other public agency that maintains a separate accounting
19 system and elects to establish a debt collection setoff
20 procedure for collection of debts owed to the public agency.

21 b. "*Person*" does not include a public agency.

22 c. "*Public agency*" means a board, commission, department,
23 including the department of revenue, or other administrative
24 office or unit of the state of Iowa or any other state entity
25 reported in the Iowa comprehensive annual financial report,
26 or a political subdivision of the state, or an office or unit
27 of a political subdivision. "*Public agency*" does include the
28 clerk of the district court as it relates to the collection of
29 a qualifying debt. "*Public agency*" does not include the general
30 assembly or the governor.

31 d. "*Qualifying debt*" includes but is not limited to the
32 following:

33 (1) Any debt, which is assigned to the department of
34 human services, or which is owed to the department of human
35 services for unpaid premiums under section 249A.3, subsection

1 2, paragraph "a", subparagraph (1), or which the child support
2 recovery unit is otherwise attempting to collect, or which the
3 foster care recovery unit of the department of human services
4 is attempting to collect on behalf of a child receiving foster
5 care provided by the department of human services.

6 (2) An amount that is due because of a default on a loan
7 under chapter 261.

8 (3) Any debt which is in the form of a liquidated sum due,
9 owing, and payable to the clerk of the district court.

10 2. *Setoff procedure.* The collection entity shall establish
11 and maintain a procedure to set off against any claim owed to
12 a person by a public agency any liability of that person owed
13 to a public agency, a support debt being enforced by the child
14 support recovery unit pursuant to chapter 252B, or such other
15 qualifying debt. The procedure shall only apply when at the
16 discretion of the director it is feasible. The procedure shall
17 meet the following conditions:

18 a. Before setoff, a person's liability to a public agency
19 and the person's claim on a public agency shall be in the form
20 of a liquidated sum due, owing, and payable.

21 b. Before setoff, the public agency shall obtain and forward
22 to the collection entity the full name and social security
23 number of the person liable to the public agency or to whom
24 a claim is owing who is a natural person. If the person is
25 not a natural person, before setoff, the public agency shall
26 forward to the collection entity the information concerning the
27 person as the collection entity shall, by rule, require. The
28 collection entity shall cooperate with other public agencies in
29 the exchange of information relevant to the identification of
30 persons liable to or claimants of public agencies. However,
31 the collection entity shall provide only relevant information
32 required by a public agency. The information shall be held in
33 confidence and used for the purpose of setoff only. Section
34 422.72, subsection 1, does not apply to this paragraph.

35 c. Before setoff, a public agency shall, at least annually,

1 submit to the collection entity the information required
2 by paragraph "b" along with the amount of each person's
3 liability to and the amount of each claim on the public agency.
4 The collection entity may, by rule, require more frequent
5 submissions.

6 *d.* Before setoff, the amount of a person's claim on a public
7 agency and the amount of a person's liability to a public
8 agency shall constitute a minimum amount set by rule of the
9 collection entity.

10 *e.* Upon submission of an allegation of liability by a public
11 agency, the collection entity shall notify the public agency
12 whether the person allegedly liable is entitled to payment from
13 a public agency, and, if so entitled, shall notify the public
14 agency of the amount of the person's entitlement and of the
15 person's last address known to the collection entity. Section
16 422.72, subsection 1, does not apply to this paragraph.

17 *f.* (1) Upon notice of entitlement to a payment, the public
18 agency shall send written notification to that person of the
19 public agency's assertion of its rights to all or a portion
20 of the payment and of the public agency's entitlement to
21 recover the liability through the setoff procedure, the basis
22 of the assertion, the opportunity to request that a jointly
23 or commonly owned right to payment be divided among owners,
24 and the person's opportunity to give written notice of intent
25 to contest the amount of the allegation. A public agency
26 shall provide the person with an opportunity to contest the
27 liability. A public agency subject to chapter 17A shall give
28 notice, conduct hearings, and allow appeals in conformity with
29 chapter 17A.

30 (2) However, upon submission of an allegation of the
31 liability of a person which is owing and payable to the
32 clerk of the district court and upon the determination by the
33 collection entity that the person allegedly liable is entitled
34 to payment from a public agency, the collection entity shall
35 send written notification to the person which states the

1 assertion by the clerk of the district court of rights to all
2 or a portion of the payment, the clerk's entitlement to recover
3 the liability through the setoff procedure, the basis of the
4 assertions, the person's opportunity to request within fifteen
5 days of the mailing of the notice that the collection entity
6 divide a jointly or commonly owned right to payment between
7 owners, the opportunity to contest the liability to the clerk
8 by written application to the clerk within fifteen days of the
9 mailing of the notice, and the person's opportunity to contest
10 the collection entity's setoff procedure.

11 *g.* Upon the timely request of a person liable to a public
12 agency or of the spouse of that person and upon receipt of the
13 full name and social security number of the person's spouse,
14 a public agency shall notify the collection entity of the
15 request to divide a jointly or commonly owned right to payment.
16 Any jointly or commonly owned right to payment is rebuttably
17 presumed to be owned in equal portions by its joint or common
18 owners.

19 *h.* The collection entity shall, after the public agency
20 has sent notice to the person liable or, if the liability is
21 owing and payable to the clerk of the district court, the
22 collection entity has sent notice to the person liable, set
23 off the amount owed to the agency against any amount which a
24 public agency owes that person. The collection entity shall
25 refund any balance of the amount to the person. The collection
26 entity shall periodically transfer amounts set off to the
27 public agencies entitled to them. If a person liable to a
28 public agency gives written notice of intent to contest an
29 allegation, a public agency shall hold a refund or rebate until
30 final disposition of the allegation. Upon completion of the
31 setoff, a public agency shall notify in writing the person who
32 was liable or, if the liability is owing and payable to the
33 clerk of the district court, shall comply with the procedures
34 as provided in paragraph "j".

35 *i.* The department of revenue's existing right to credit

1 against tax due or to become due under section 422.73 is not
2 to be impaired by a right granted to or a duty imposed upon
3 the collection entity or other public agency by this section.
4 This section is not intended to impose upon the collection
5 entity any additional requirement of notice, hearing, or appeal
6 concerning the right to credit against tax due under section
7 422.73.

8 *j.* If the alleged liability is owing and payable to the
9 clerk of the district court and setoff as provided in this
10 section is sought, all of the following shall apply:

11 (1) The judicial branch shall prescribe procedures to
12 permit a person to contest the amount of the person's liability
13 to the clerk of the district court.

14 (2) The collection entity shall, except for the procedures
15 described in subparagraph (1), prescribe any other applicable
16 procedures concerning setoff as provided in this subsection.

17 (3) Upon completion of the setoff, the collection entity
18 shall file, at least monthly, with the clerk of the district
19 court a notice of satisfaction of each obligation to the
20 full extent of all moneys collected in satisfaction of the
21 obligation. The clerk shall record the notice and enter a
22 satisfaction for the amounts collected and a separate written
23 notice is not required.

24 *k.* If the alleged liability is owing and payable to a
25 community college and setoff pursuant to this section is
26 sought, both of the following shall apply:

27 (1) In addition to satisfying other applicable setoff
28 procedures established under this subsection, the community
29 college shall prescribe procedures to permit a person to
30 contest the amount of the person's liability to the community
31 college. Such procedures shall be consistent with and ensure
32 the protection of the person's right of due process under Iowa
33 law.

34 (2) The collection entity shall, except for the procedures
35 prescribed pursuant to subparagraph (1), prescribe any other

1 applicable procedures concerning setoff as provided in this
2 subsection.

3 1. If the alleged liability is owing and payable to a school
4 district for school meals and the school district has made
5 reasonable efforts to collect the debt, setoff pursuant to
6 this section may be sought by the school district. However,
7 this paragraph shall not be interpreted to limit any other
8 options for school meal debt collection available to the school
9 district by law.

10 3. In the case of multiple claims to payments filed under
11 this section, priority shall be given to claims filed by
12 the child support recovery unit or the foster care recovery
13 unit, next priority shall be given to claims filed by the
14 clerk of the district court, next priority shall be given
15 to claims filed by the college student aid commission, next
16 priority shall be given to claims filed by the investigations
17 division of the department of inspections and appeals, and
18 last priority shall be given to claims filed by other public
19 agencies. In the case of multiple claims in which the priority
20 is not otherwise provided by this subsection, priority shall be
21 determined in accordance with rules to be established by the
22 director.

23 4. The director shall have the authority to enter into
24 reciprocal agreements with the departments of revenue of other
25 states that have enacted legislation that is substantially
26 equivalent to the setoff procedure provided in this section
27 for the recovery of an amount due because of a default on a
28 loan under chapter 261. A reciprocal agreement shall also be
29 approved by the college student aid commission. The agreement
30 shall authorize the department to provide by rule for the
31 setoff of state income tax refunds or rebates of defaulters
32 from states with which Iowa has a reciprocal agreement and to
33 provide for sending lists of names of Iowa defaulters to the
34 states with which Iowa has a reciprocal agreement for setoff of
35 that state's income tax refunds.

1 5. Under substantive rules established by the director, the
2 department shall seek reimbursement from other public agencies
3 to recover its costs for setting off liabilities.

4 Sec. 17. Section 422.12G, subsection 2, Code 2020, is
5 amended to read as follows:

6 2. The director of revenue shall draft the income tax form
7 to allow the designation of contributions to the veterans trust
8 fund and to the volunteer fire fighter preparedness fund as
9 one checkoff on the tax return. The department of revenue,
10 on or before January 31, shall transfer one-half of the total
11 amount designated on the tax return forms due in the preceding
12 calendar year to the veterans trust fund and the remaining
13 one-half to the volunteer fire fighter preparedness fund.
14 However, before a checkoff pursuant to [this section](#) shall be
15 permitted, all liabilities on the books of the department of
16 ~~administrative services~~ and accounts identified as owing under
17 section ~~8A.504~~ [421.65](#) shall be satisfied.

18 Sec. 18. Section 422.12I, subsection 2, Code 2020, is
19 amended to read as follows:

20 2. The director of revenue shall draft the income tax form
21 to allow the designation of contributions to the foundation
22 fund on the tax return. The department, on or before January
23 31, shall transfer the total amount designated on the tax
24 form due in the preceding year to the foundation fund.
25 However, before a checkoff pursuant to [this section](#) shall be
26 permitted, all liabilities on the books of the department of
27 ~~administrative services~~ and accounts identified as owing under
28 section ~~8A.504~~ [421.65](#) shall be satisfied.

29 Sec. 19. Section 422.12K, subsection 2, Code 2020, is
30 amended to read as follows:

31 2. The director of revenue shall draft the income tax form
32 to allow the designation of contributions to the child abuse
33 prevention program fund on the tax return. The department of
34 revenue, on or before January 31, shall transfer the total
35 amount designated on the tax return forms due in the preceding

1 calendar year to the child abuse prevention program fund.
2 However, before a checkoff pursuant to [this section](#) shall be
3 permitted, all liabilities on the books of the department of
4 ~~administrative services~~ and accounts identified as owing under
5 section ~~8A.504~~ [421.65](#) shall be satisfied.

6 Sec. 20. Section 422.20, subsection 3, paragraph a, Code
7 2020, is amended to read as follows:

8 a. Unless otherwise expressly permitted by ~~section 8A.504~~,
9 [section 8G.4](#), [section 11.41](#), [section 96.11](#), subsection 6,
10 section 421.17, subsections 22, 23, and 26, section 421.17,
11 subsection 27, paragraph "k", [section 421.17](#), subsection 31,
12 section 252B.9, [section 321.40](#), subsection 6, sections [321.120](#),
13 [421.19](#), [421.28](#), [421.65](#), [422.72](#), and [452A.63](#), [this section](#), or
14 another provision of law, a tax return, return information, or
15 investigative or audit information shall not be divulged to any
16 person or entity, other than the taxpayer, the department, or
17 internal revenue service for use in a matter unrelated to tax
18 administration.

19 Sec. 21. Section 422.72, subsection 3, paragraph a, Code
20 2020, is amended to read as follows:

21 a. Unless otherwise expressly permitted by ~~section 8A.504~~,
22 [section 8G.4](#), [section 11.41](#), [section 96.11](#), subsection 6,
23 section 421.17, subsections 22, 23, and 26, section 421.17,
24 subsection 27, paragraph "k", [section 421.17](#), subsection 31,
25 section 252B.9, [section 321.40](#), subsection 6, sections [321.120](#),
26 [421.19](#), [421.28](#), [421.65](#), [422.20](#), and [452A.63](#), [this section](#), or
27 another provision of law, a tax return, return information, or
28 investigative or audit information shall not be divulged to any
29 person or entity, other than the taxpayer, the department, or
30 internal revenue service for use in a matter unrelated to tax
31 administration.

32 Sec. 22. Section 456A.16, subsection 7, Code 2020, is
33 amended to read as follows:

34 7. The department shall adopt rules pursuant to [chapter 17A](#)
35 to implement [this section](#). However, before a checkoff pursuant

1 to [this section](#) shall be permitted, all liabilities on the
2 books of the department of ~~administrative services~~ revenue and
3 accounts identified as owing under ~~section 8A-504~~ [421.65](#) shall
4 be satisfied.

5 Sec. 23. Section 602.8102, subsection 58A, Code 2020, is
6 amended to read as follows:

7 58A. Assist the department of ~~administrative services~~
8 revenue in setting off against debtors' income tax refunds
9 or rebates under ~~section 8A-504~~ [421.65](#), debts which are due,
10 owing, and payable to the clerk of the district court as
11 criminal fines, civil penalties, surcharges, or court costs.

12 Sec. 24. Section 602.8107, subsection 4, paragraph a, Code
13 2020, is amended to read as follows:

14 a. [This subsection](#) does not apply to amounts collected for
15 victim restitution, the victim compensation fund, the criminal
16 penalty surcharge, sex offender civil penalty, drug abuse
17 resistance education surcharge, the law enforcement initiative
18 surcharge, county enforcement surcharge, amounts collected as
19 a result of procedures initiated under [subsection 5](#) or under
20 ~~section 8A-504~~ [421.65](#), or fees charged pursuant to section
21 356.7.

22 Sec. 25. Section 642.2, subsection 4, Code 2020, is amended
23 to read as follows:

24 4. Notwithstanding [subsections 2, 3, 6, and 7](#), any
25 moneys owed to the child support obligor by the state, with
26 the exception of unclaimed property held by the treasurer
27 of state pursuant to [chapter 556](#), and payments owed to the
28 child support obligor through the Iowa public employees'
29 retirement system are subject to garnishment, attachment,
30 execution, or assignment by the child support recovery unit
31 if the child support recovery unit is providing enforcement
32 services pursuant to [chapter 252B](#). Any moneys that are
33 determined payable by the treasurer pursuant to section 556.20,
34 subsection 2, to the child support obligor shall be subject to
35 setoff pursuant to ~~section 8A-504~~ [421.65](#), notwithstanding any

1 administrative rule pertaining to the child support recovery
2 unit limiting the amount of the offset.

3 Sec. 26. REPEAL. Section 8A.504, Code 2020, is repealed.

4 Sec. 27. TRANSITION PROVISIONS. Any rule, regulation,
5 form, order, or directive promulgated by the department of
6 administrative services as required to administer and enforce
7 the provisions of section 8A.504 prior to the effective date of
8 this Act shall continue in full force and effect until amended,
9 repealed, or supplemented by the department of revenue.

10 EXPLANATION

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

13 This bill relates to the setoff procedures used by public
14 agencies.

15 The bill repeals the setoff procedures administered by the
16 department of administrative services and contained in Code
17 section 8A.504 and reestablishes the setoff procedures under
18 the purview of the department of revenue. The bill updates
19 references to the setoff procedures accordingly throughout the
20 Code.

21 Pursuant to new Code section 421.65, the department of
22 revenue, along with any other public agency that maintains a
23 separate accounting system and elects to establish a setoff
24 procedure, is required to establish and maintain a procedure to
25 set off against any claim owed to a person by a public agency
26 any liability of that person owed to a public agency, a support
27 debt being enforced by the child support recovery unit, or any
28 other qualifying debt.

29 The bill provides that any rule, regulation, form, order,
30 or directive the department of administrative services adopted
31 prior to the effective date of the bill to administer Code
32 section 8A.504 is to continue in full force or effect until
33 the department of revenue amends, repeals, or supplements such
34 rule, regulation, form, order, or directive.