Senate Study Bill 1211 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

A BILL FOR

1 An Act relating to the application fee and annual fee imposed
2 for nonassistance child support cases.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 252B.4, Code 2019, is amended to read as follows:

252B.4 Nonassistance cases.

1. The child support and paternity determination services established by the department pursuant to this chapter and other appropriate services provided by law including but not limited to the provisions of chapters 239B, 252A, 252C, 252D, 252E, 252F, 598, and 600B shall be made available by the unit to an individual not otherwise eligible as a public assistance recipient upon application by the individual for the services or upon referral as described in subsection ~~5~~ 4. The application shall be filed with the department.

~~1. The director shall require an application fee of twenty-five dollars.~~

2. The director may collect a fee to cover the costs incurred by the department for service of process, genetic testing and court costs if the entity providing the service charges a fee for the services.

3. Fees collected pursuant to this section shall be considered repayment receipts, as defined in section 8.2, and shall be used for the purposes of the unit. The director or a designee shall keep an accurate record of the fees collected and expended.

~~4. An application fee paid by a recipient of services pursuant to subsection 1 may be recovered by the unit from the person responsible for payment of support and if recovered shall be used to reimburse the recipient of services.~~

~~*a.* The fee shall be an automatic judgment against the person responsible to pay support.~~

~~*b.* This subsection shall serve as constructive notice that the fee is a debt due and owing, is an automatic judgment against the person responsible for support, and is assessed as the fee is paid by a recipient of services. The fee may be collected in addition to any support payments or support judgment ordered, and no further notice or hearing is required~~

~~prior to collecting the fee.~~

~~*c.* Notwithstanding any provision to the contrary, the unit may collect the fee through any legal means by which support payments may be collected, including but not limited to income withholding under chapter 252D or income tax refund offsets, unless prohibited under federal law.~~

~~*d.* The unit is not required to file these judgments with the clerk of the district court, but shall maintain an accurate accounting of the fee assessed, the amount of the fee, and the recovery of the fee.~~

~~*e.* Support payments collected shall not be applied to the recovery of the fee until all other support obligations under the support order being enforced, which have accrued through the end of the current calendar month, have been paid or satisfied in full.~~

~~*f.* This subsection applies to fees that become due on or after July 1, 1992.~~

~~5.~~ 4. The unit shall also provide child support and paternity determination services and shall respond as provided in federal law for an individual not otherwise eligible as a public assistance recipient if the unit receives a request from any of the following:

a. A child support agency.

b. A foreign country as defined in chapter 252K.

Sec. 2. Section 252B.5, subsection 13, paragraph a, Code 2019, is amended to read as follows:

a. ~~Beginning October 1, 2007, implement the provision of the federal Deficit Reduction Act of 2005, Pub. L. No. 109-171, §7310, requiring an annual collections fee of twenty-five dollars in child support cases in which the family has never received assistance under Tit. IV-A of the federal Social Security Act for whom the unit has disbursed at least five hundred dollars. When the first five hundred dollars in support is disbursed in each federal fiscal year for a family, the fee shall be collected from the obligee by retaining~~

~~twenty-five dollars from disbursements to the obligee. If five hundred dollars but less than five hundred twenty-five dollars is disbursed in any federal fiscal year, any unpaid portion of the annual fee shall not accumulate and is not due.~~ Impose an annual fee, which shall be retained from support collected on behalf of the obligee, in accordance with 42 U.S.C. §654(6)(B)(ii). The unit shall send information regarding the requirements of this subsection by regular mail to the last known address of an affected obligee, or may include the information for an obligee in an application for services signed by the obligee. In addition, the unit shall take steps necessary regarding the fee to qualify for federal funds in conformity with the provisions of Tit. IV-D of the federal Social Security Act, including receiving and accounting for fee payments, as appropriate, through the collection services center created in section 252B.13A.

Sec. 3. Section 252H.5, subsections 1 and 4, Code 2019, are amended to read as follows:

1. ~~A~~ Unless the unit is already providing support enforcement service pursuant to chapter 252B, a parent ordered to provide support, who requests a review of a support order under subchapter II, shall file an application for services ~~and pay an application fee~~ pursuant to section 252B.4.

4. The unit shall, consistent with applicable federal law, recover administrative costs in excess of any fees collected pursuant to subsections ~~1,~~ 2~~,~~ and 3 for providing services under this chapter and shall adopt rules providing for collection of fees for administrative costs.

Sec. 4. ADMINISTRATIVE RULES —— TRANSITION. Until such time as the department of human services adopts administrative rules pursuant to chapter 17A as necessary to administer this Act, the child support recovery unit may accept applications for child support services in accordance with chapter 252B, as amended in this Act.

EXPLANATION

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

This bill relates to fees for services provided by the child support recovery unit (unit). Currently, individuals who apply for child support services in nonassistance cases pay a $25 application fee. The bill eliminates the $25 application fee.

The bill also amends the provision relating to the payment of an annual fee for individuals who receive services from the unit in nonassistance cases. The current state statute specifies that the annual fee is $25 and is collected from the obligee after $500 in support has been distributed to the family. Under the bill, which cites to the revised federal law, the fee will be $35 and will be collected from the obligee after $550 in support has been distributed to the family. By citing directly to the federal law rather than specifying an amount in state statute, any changes in the federal law will automatically govern the amount of the annual fee without the need for changes in the state statute.

The bill also makes conforming changes.