

House Study Bill 193 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON THOMPSON)

A BILL FOR

1 An Act relating to setoff procedures for debt owed as a result
2 of a traffic violation captured by an automated traffic
3 enforcement system, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.504, subsection 1, paragraph d, Code
2 2023, is amended to read as follows:

3 *d.* (1) "Qualifying debt" includes, but is not limited to,
4 any of the following:

5 ~~(1)~~ (a) Any debt, which is assigned to the department of
6 health and human services, or which is owed to the department
7 of health and human services for unpaid premiums under section
8 249A.3, subsection 2, paragraph "a", subparagraph (1), or
9 which the child support recovery unit is otherwise attempting
10 to collect, or which the foster care recovery unit of the
11 department of health and human services is attempting to
12 collect on behalf of a child receiving foster care provided by
13 the department of health and human services.

14 ~~(2)~~ (b) An amount that is due because of a default on a
15 loan under chapter 261.

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

18 (2) "Qualifying debt" does not include a debt owed by a
19 person as a result of a citation issued, and sent through
20 the mail or by electronic means, for a traffic violation
21 captured by a camera or other optical device designed to work
22 in conjunction with an official traffic control signal or
23 speed measuring device to identify motor vehicles operating in
24 violation of traffic laws.

25 Sec. 2. Section 421.17, subsection 27, Code 2023, is amended
26 by adding the following new paragraph:

27 NEW PARAGRAPH. *od.* Notwithstanding the department's
28 powers granted in this section regarding setoff from income
29 tax refunds for any of the obligations transferred by state
30 agencies or local government agencies, the department shall not
31 set off from an individual's income tax refund any amount owed
32 by a person as a result of a citation issued, and sent through
33 the mail or by electronic means, for a traffic violation
34 captured by a camera or other optical device designed to work
35 in conjunction with an official traffic control signal or

1 speed measuring device to identify motor vehicles operating in
2 violation of traffic laws.

3 Sec. 3. Section 421.65, subsection 1, paragraph d, as
4 enacted by 2020 Iowa Acts, chapter 1064, section 16, is amended
5 to read as follows:

6 *d.* (1) "Qualifying debt" means any of the following:

7 ~~(1)~~ (a) Any debt, which is assigned to the department of
8 health and human services, or which is owed to the department
9 of health and human services for unpaid premiums under section
10 249A.3, subsection 2, paragraph "a", subparagraph (1), or
11 which the child support recovery unit is otherwise attempting
12 to collect, or which the foster care recovery unit of the
13 department of health and human services is attempting to
14 collect on behalf of a child receiving foster care provided by
15 the department of health and human services.

16 ~~(2)~~ (b) Any debt which is in the form of a liquidated sum
17 due, owing, and payable to the clerk of the district court.

18 ~~(3)~~ (c) Any liquidated sum certain, owing, and payable to
19 a public agency, with respect to which the public agency has
20 provided the obligor an opportunity to protest or challenge
21 the sum in a manner in compliance with applicable law and due
22 process, and which has been determined as owing through the
23 challenge or protest, or for which the time period provided by
24 the public agency to challenge or protest has expired.

25 (2) "Qualifying debt" does not include a debt owed by a
26 person as a result of a citation issued, and sent through
27 the mail or by electronic means, for a traffic violation
28 captured by a camera or other optical device designed to work
29 in conjunction with an official traffic control signal or
30 speed measuring device to identify motor vehicles operating in
31 violation of traffic laws.

32 Sec. 4. CONTINGENT EFFECTIVE DATE. The following takes
33 effect on the effective date of the rules adopted by the
34 department of revenue pursuant to chapter 17A implementing 2020
35 Iowa Acts, chapter 1064, other than transitional rules:

1 The section of this Act amending section 421.65.

2 EXPLANATION

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

5 Under current law, the department of administrative services
6 (DAS) is authorized to set off against any claim owed to a
7 person by a public agency any qualifying debt of that person
8 owed to a public agency. In addition, the director of the
9 department of revenue (DOR) is authorized to establish,
10 administer, and make available a centralized debt collection
11 capability and procedure for the use by any state agency
12 or local government entity to collect delinquent accounts,
13 charges, fees, loans, taxes, or other indebtedness owed to or
14 being collected by the state. DOR has the powers granted in
15 Code section 421.17 regarding setoff from income tax refunds or
16 other accounts payable by the state for any of the obligations
17 transferred by state agencies or local government agencies.

18 This bill excludes a debt owed by a person as a result of
19 a citation issued, and sent through the mail or by electronic
20 means, for a traffic violation captured by a camera or other
21 optical device designed to work in conjunction with an official
22 traffic control signal or speed measuring device to identify
23 motor vehicles operating in violation of traffic laws from the
24 term "qualifying debt" under Code section 8A.504 and prohibits
25 DOR from setting off an individual's income tax refund to
26 collect such a debt.

27 In 2020, the general assembly passed legislation striking
28 the setoff procedures under the purview of DAS (Code section
29 8A.504) and providing setoff procedures under the purview of
30 DOR. That legislation takes effect on the effective date of
31 rules adopted by DOR implementing 2020 Iowa Acts, chapter 1064.
32 DOR has not yet adopted the necessary rules, so the bill amends
33 the 2020 legislation defining "qualifying debt" in the same
34 way the term is amended under Code section 8A.504 by the bill.
35 This provision takes effect on the effective date of the rules

H.F. _____

1 adopted by DOR implementing 2020 Iowa Acts, chapter 1064.