

CHAPTER 1172**DEBTS OWED THE STATE
OR POLITICAL SUBDIVISIONS —
COLLECTION, PAYMENT, AND SANCTIONS***S.F. 2428*

AN ACT relating to the collection of delinquent debt owed the state and political subdivisions of the state by requiring offsets of gambling winnings, sanctioning of professional licenses, modifying provisions related to debt and tax collection practices and fees, writing off certain delinquent court debt, modifying provisions relating to the deposit of certain funds in the jury and witness fee fund, and making penalties applicable.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
GAMBLING SETOFF**

Section 1. Section 99D.2, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 2A. "Claimant agency" means a state agency as defined in section 8A.504, subsection 1, or the state court administrator as defined in section 602.1101.

Sec. 2. Section 99D.7, Code 2007, is amended by adding the following new subsection: NEW SUBSECTION. 22A. To require licensees to establish a process with the state for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive web site maintained by the state.

Sec. 3. NEW SECTION. 99D.28 SETOFF.

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99D.7, subsection 22A. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee, and the winnings are equal to or greater than ten thousand dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than ten thousand dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

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

3. Notwithstanding any other provision of law to the contrary, the licensee may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this section, and likewise the claimant agency may provide all information necessary to accomplish and effectuate the intent of this section.

4. The information obtained by a claimant agency from the licensee in accordance with this section shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. An employee or prior employee of a claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the claimant agency.

5. The information obtained by a licensee from a claimant agency in accordance with this section shall retain its confidentiality and only be used by the licensee in the pursuit of debt collection duties and practices. An employee or prior employee of a licensee who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the licensee.

6. Except as otherwise provided in this chapter, attachments, setoffs, or executions authorized and issued pursuant to law shall be withheld if timely served upon the licensee.

7. A claimant agency or licensee, acting in good faith, shall not be liable for actions taken to comply with this section.

Sec. 4. Section 99F.1, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. "Claimant agency" means a state agency as defined in section 8A.504, subsection 1, or the state court administrator as defined in section 602.1101.

Sec. 5. Section 99F.4, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 26. To require licensees to establish a process with the state for licensees to have electronic access to names and social security numbers of debtors of claimant agencies through a secured interactive web site maintained by the state.

Sec. 6. NEW SECTION. 99F.19 SETOFF.

1. A licensee or a person acting on behalf of a licensee shall be provided electronic access to the names of the persons indebted to a claimant agency pursuant to the process established pursuant to section 99F.4, subsection 26. The electronic access provided by the claimant agency shall include access to the names of the debtors, their social security numbers, and any other information that assists the licensee in identifying the debtors. If the name of a debtor provided to the licensee through electronic access is retrieved by the licensee, and the winnings are equal to or greater than ten thousand dollars per occurrence, the retrieval of such a name shall constitute a valid lien upon and claim of lien against the winnings of the debtor whose name is electronically retrieved from the claimant agency. If a debtor's winnings are equal to or greater than ten thousand dollars per occurrence, the full amount of the debt shall be collectible from any winnings due the debtor without regard to limitations on the amounts that may be collectible in increments through setoff or other proceedings.

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

3. Notwithstanding any other provision of law to the contrary, the licensee may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this section, and likewise the claimant agency may provide all information necessary to accomplish and effectuate the intent of this section.

4. The information obtained by a claimant agency from the licensee in accordance with this section shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. An employee or prior employee of a claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by law, shall be subject to the penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the claimant agency.

5. The information obtained by a licensee from a claimant agency in accordance with this section shall retain its confidentiality and only be used by the licensee in the pursuit of debt collection duties and practices. An employee or prior employee of a licensee who unlawfully discloses any such information for any other purpose, except as otherwise specifically autho-

alized by law, shall be subject to the same penalties specified by law for unauthorized disclosure of confidential information by an agent or employee of the licensee.

6. Except as otherwise provided in this chapter, attachments, setoffs, or executions authorized and issued pursuant to law shall be withheld if timely served upon the licensee.

7. A claimant agency or licensee, acting in good faith, shall not be liable for actions taken to comply with this section.

DIVISION II LICENSING SANCTIONS

Sec. 7. NEW SECTION. 272D.1 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Certificate of noncompliance" means a document provided by the unit certifying the named person has outstanding liability placed with the unit and has not entered into an approved payment plan to pay the liability.

2. "Liability" means a debt or obligation placed with the unit for collection that is greater than one thousand dollars. For purposes of this chapter "liability" does not include support payments collected pursuant to chapter 252J.

3. "License" means a license, certification, registration, permit, approval, renewal, or other similar authorization issued to a person by a licensing authority which evidences the admission to, or granting of authority to engage in, a profession, occupation, business, industry, or recreation. "License" includes licenses for hunting and fishing, or other recreational activity.

4. "Licensee" means a person to whom a license has been issued, or who is seeking the issuance of a license.

5. "Licensing authority" means the supreme court, or an instrumentality, agency, board, commission, department, officer, organization, or any other entity of the state, which has authority within this state to suspend or revoke a license or to deny the renewal or issuance of a license authorizing a person to engage in a business, occupation, profession, recreation, or industry.

6. "Obligor" means a person with a liability placed with the unit.

7. "Person" means a licensee.

8. "Unit" means the centralized collection unit of the department of revenue.

9. "Withdrawal of a certificate of noncompliance" means a document provided by the unit certifying that the certificate of noncompliance is withdrawn and that the licensing authority may proceed with issuance, reinstatement, or renewal of the person's license.

Sec. 8. NEW SECTION. 272D.2 PURPOSE AND USE.

1. Notwithstanding other statutory provisions to the contrary, the unit may utilize the process established in this chapter to collect liabilities placed with the unit.

2. Actions initiated by the unit under this chapter shall not be subject to contested case proceedings or further review pursuant to chapter 17A and any resulting court hearing shall be an original hearing before the district court.

3. Notwithstanding chapter 22, all of the following apply:

a. Information obtained by the unit under this chapter shall be used solely for the purposes of this chapter.

b. Information obtained by a licensing authority under this chapter shall be used solely for the purposes of this chapter.

4. Notwithstanding any other law to the contrary, information shall be exchanged by a licensing authority and the unit to effectuate this chapter.

Sec. 9. NEW SECTION. 272D.3 NOTICE TO PERSON OF POTENTIAL SANCTION OF LICENSE.

The unit shall proceed in accordance with this chapter only if the unit sends a notice to the person by regular mail to the last known address of the person. The notice shall include all of the following:

1. The address and telephone number of the unit and the person's unit account number.
2. A statement that the person may request a conference with the unit to contest the action.
3. A statement that if, within twenty days of mailing of the notice to the person, the person fails to contact the unit to schedule a conference, the unit shall issue a certificate of noncompliance, bearing the person's name, social security number, and unit account number, to any appropriate licensing authority, certifying that the obligor has an outstanding liability placed with the unit.
4. A statement that in order to stay the issuance of a certificate of noncompliance the request for a conference shall be in writing and shall be received by the unit within twenty days of mailing of the notice to the person.
5. The names of the licensing authorities to which the unit intends to issue a certificate of noncompliance.
6. A statement that if the unit issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke the person's license, unless the unit provides the licensing authority with a withdrawal of a certificate of noncompliance.

Sec. 10. NEW SECTION. 272D.4 CONFERENCE.

1. The person may schedule a conference with the unit following mailing of the notice pursuant to section 272D.3, or at any time after service of notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the unit's actions under this chapter.
2. The request for a conference shall be made to the unit, in writing, and, if requested after mailing of the notice pursuant to section 272D.3, shall be received by the unit within twenty days following mailing of the notice.
3. The unit shall notify the person of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the unit. If the person fails to appear at the conference, the unit shall issue a certificate of noncompliance.
4. Following the conference, the unit shall issue a certificate of noncompliance unless any of the following applies:
 - a. The unit finds a mistake in the identity of the person.
 - b. The unit finds a mistake in determining the amount of the liability.
 - c. The unit determines the amount of the liability is not greater than one thousand dollars.
 - d. The obligor enters into an acceptable payment plan.
 - e. Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the department of revenue pursuant to chapter 17A.
5. The unit shall grant the person a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a withdrawal of a certificate of noncompliance if the obligor enters into a written agreement with the unit to pay the liability.
6. If the person does not timely request a conference or does not pay the total amount of liability owed within twenty days of mailing of the notice pursuant to section 272D.3, the unit shall issue a certificate of noncompliance.

Sec. 11. NEW SECTION. 272D.5 WRITTEN AGREEMENT.

1. The obligor and the unit may enter into a written agreement for payment of the liability owed which takes into consideration the obligor's ability to pay and other criteria established by rule of the department of revenue. The written agreement shall include all of the following:
 - a. The method, amount, and dates of payments by the obligor.
 - b. A statement that upon breach of the written agreement by the obligor, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. A written agreement entered into pursuant to this section does not preclude any other remedy provided by law.

3. Following issuance of a certificate of noncompliance, if the obligor enters into a written agreement with the unit, the unit shall issue a withdrawal of the certificate of noncompliance to any appropriate licensing authority and shall forward a copy of the withdrawal by regular mail to the obligor.

Sec. 12. NEW SECTION. 272D.6 DECISION OF THE UNIT.

1. If the unit mails a notice to a person pursuant to section 272D.3, and the person requests a conference pursuant to section 272D.4, the unit shall issue a written decision if any of the following conditions exist:

- a. The person fails to appear at a scheduled conference under section 272D.4.
- b. A conference is held under section 272D.4.
- c. The obligor fails to comply with a written agreement entered into by the obligor and the unit under section 272D.5.

2. The unit shall send a copy of the written decision to the person by regular mail at the person's most recent address of record. If the decision is made to issue a certificate of noncompliance or to withdraw the certificate of noncompliance, a copy of the certificate of noncompliance or of the withdrawal of the certificate of noncompliance shall be attached to the written decision. The written decision shall state all of the following:

a. That the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 272D.3.

b. That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of a certificate of noncompliance from the unit.

c. That in order to obtain a withdrawal of a certificate of noncompliance from the unit, the obligor shall enter into a written agreement with the unit, comply with an existing written agreement with the unit, or pay the total amount of liability owed.

d. That if the unit issues a written decision which includes a certificate of noncompliance, the person may request a hearing as provided in section 272D.9, before the district court. The person may retain an attorney at the person's own expense to represent the person at the hearing. The review of the district court shall be limited to demonstration of a mistake of fact related to the amount of the liability owed or the identity of the person.

3. If the unit issues a certificate of noncompliance, the unit shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

- a. The unit or the court finds a mistake in the identity of the person.
- b. The unit or the court finds a mistake in the amount owed.
- c. The obligor enters into a written agreement with the unit to pay the liability owed, the obligor complies with an existing written agreement, or the obligor pays the total amount of liability owed.

d. Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the department of revenue pursuant to chapter 17A.

Sec. 13. NEW SECTION. 272D.7 CERTIFICATE OF NONCOMPLIANCE — CERTIFICATION TO LICENSING AUTHORITY.

1. If a person fails to respond to a notice of potential license sanction provided pursuant to section 272D.3 or the unit issues a written decision under section 272D.6 which states that the person is not in compliance, the unit shall issue a certificate of noncompliance to any appropriate licensing authority.

2. The certificate of noncompliance shall contain the person's name and social security number.

3. The certificate of noncompliance shall require all of the following:
 - a. That the licensing authority initiate procedures for the revocation or suspension of the person's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.
 - b. That the licensing authority provide notice to the person, as provided in section 272D.8, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person.

Sec. 14. NEW SECTION. 272D.8 REQUIREMENTS AND PROCEDURES OF LICENSING AUTHORITY.

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number. The records shall be made available to the unit in an electronic format in order for the unit to match the names of the persons with any liability placed with the unit for collection.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the unit.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to pay a liability placed with the unit.

4. a. A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to a person. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

b. In addition, the licensing authority shall provide notice to the person of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the person. The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of a person's license due to the receipt of a certificate of noncompliance from the unit.

(2) The person must contact the unit to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the unit furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the person's license will be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply. Notwithstanding section 17A.18, the person does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter but may request a court hearing pursuant to section 272D.9 within thirty days of the provision of notice under this section.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the unit, the licensing authority shall immediately reinstate, renew, or issue a license if the person is otherwise in compliance with licensing requirements established by the licensing authority.

Sec. 15. NEW SECTION. 272D.9 DISTRICT COURT HEARING.

1. Following the issuance of a written decision by the unit under section 272D.6 which includes the issuance of a certificate of noncompliance, or following provision of notice to the person by a licensing authority pursuant to section 272D.8, a person may seek review of the decision and request a hearing before the district court by filing an application with the district court in the county where the majority of the liability was incurred, and sending a copy of the application to the unit by regular mail.

2. An application shall be filed to seek review of the decision by the unit or following issuance of notice by the licensing authority no later than within thirty days after the issuance of the notice pursuant to section 272D.8. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the person and the unit and shall also mail a copy of the order to the licensing authority, if applicable. The unit shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 272D.8, to the court prior to the hearing.

3. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 272D.8. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the person fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 272D.8.

4. The scope of review by the district court shall be limited to demonstration of the amount of the liability owed or the identity of the person.

5. If the court finds that the unit was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the unit shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

DIVISION III COLLECTION OF DEBT

Sec. 16. Section 96.11, subsection 6, paragraph b, subparagraph (3), Code Supplement 2007, is amended to read as follows:

(3) Information obtained from an employing unit or individual in the course of administering this chapter and an initial determination made by a representative of the department under section 96.6, subsection 2, as to benefit rights of an individual shall not be used in any action or proceeding, except in a contested case proceeding or judicial review under chapter 17A. However, the department shall make information, which is obtained from an employing unit or individual in the course of administering this chapter and which relates to the employment and wage history of the individual, available to a county attorney for the county attorney's use in the performance of duties under section 331.756, subsection 5, or section 602.8107. The department shall make such information electronically accessible to the county attorney at the county attorney's office, if requested, provided the county attorney's office pays the cost of the installation of the equipment to provide such access. Information in the department's possession which may affect a claim for benefits or a change in an employer's rating account shall be made available to the interested parties. The information may be used by the interested parties in a proceeding under this chapter to the extent necessary for the proper presentation or defense of a claim.

Sec. 17. NEW SECTION. 321.11A PERSONAL INFORMATION DISCLOSURE — EXCEPTION.

1. Notwithstanding section 321.11, the department, upon request, shall provide personal information that identifies a person by the social security number of the person to the following:

- a. The department of revenue for the purpose of collecting debt.
- b. The judicial branch for the purpose of collecting court debt pursuant to section 602.8107.
- c. The department of administrative services for the purpose of administering the setoff program pursuant to section 8A.504.

2. The social security number obtained by the department of revenue or the judicial branch shall retain its confidentiality and shall only be used for the purposes provided in this section.

Sec. 18. Section 321.40, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 9. a. The clerk of the district court shall notify the county treasurer of any delinquent court debt, as defined in section 602.8107, which is being collected by the

county attorney pursuant to section 602.8107, subsection 4. The county treasurer shall refuse to renew the vehicle registration of the applicant upon such notification from the clerk of the district court in regard to such applicant.

b. If the applicant enters into or renews a payment plan that is satisfactory to the county attorney or the county attorney's designee, the county attorney shall provide the county treasurer with written or electronic notice of the payment plan within five days of entering into such a plan. The county treasurer shall temporarily lift the registration hold on an applicant for a period of ten days if the treasurer receives such notice in order to allow the applicant to register a vehicle for the year. If the applicant remains current with the payment plan entered into with the county attorney or the county attorney's designee, subsequent lifts of registration holds shall be granted without additional restrictions.

Sec. 19. Section 321.210A, subsection 2, Code Supplement 2007, is amended to read as follows:

2. If after suspension, the person enters into an installment agreement with the county attorney, ~~the county attorney's designee, or the centralized collection unit of the department of revenue~~ in accordance with section 321.210B to pay the fine, penalty, court cost, or surcharge, the person's license shall be reinstated by the department upon receipt of a report of an executed installment agreement.

Sec. 20. Section 321.210A, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 3. If the county attorney or the county attorney's designee, while collecting delinquent court debt pursuant to section 602.8107, determines that the person has been convicted of an additional violation of a law regulating the operation of a motor vehicle, the county attorney or the county attorney's designee shall notify the clerk of the district court of the appropriate case numbers, and the clerk of the district court shall notify the department for the purpose of instituting suspension procedures pursuant to this section.

Sec. 21. Section 321.210B, Code Supplement 2007, is amended to read as follows:

321.210B INSTALLMENT AGREEMENT.

1. If a person's fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 3 2, and the person's driver's license has been suspended pursuant to section 321.210A, the person may execute an installment agreement with the county attorney, ~~or the county attorney's designee, or the centralized collection unit of the department of revenue~~ to pay the delinquent amount and the fee assessed in subsection 7 in installments. Prior to execution of the installment agreement, the person shall provide the county attorney, ~~or the county attorney's designee, or the centralized collection unit of the department of revenue~~ with a financial statement in order for the parties to the agreement to determine the amount of the installment payments.

2. ~~A~~ If the person enters into an installment agreement with the county attorney or the county attorney's designee, the person shall execute an installment agreement in the county where the fine, penalty, surcharge, or court cost was imposed. If the county where the fine, penalty, surcharge, or court cost was imposed does not have an installment agreement program, the person shall execute an installment agreement in the person's county of residence. If the county of residence does not have an installment agreement program, the person may execute an installment agreement with any county attorney or county attorney's designee.

3. The county attorney, ~~or the county attorney's designee, or the centralized collection unit of the department of revenue~~ shall file the installment agreement with the clerk of the district court in the county where the fine, penalty, surcharge, or court cost was imposed, within five days of execution of the agreement.

4. Upon receipt of an executed installment agreement and after the first installment payment, the clerk of the district court shall report the receipt of the executed installment agreement to the department of transportation.

5. Upon receipt of the report from the clerk of the district court and payment of the reinstate-

ment fee as provided in section 321.191, the department shall immediately reinstate the driver's license of the person unless the driver's license of the person is otherwise suspended, revoked, denied, or barred under another provision of law.

6. If a driver's license is reinstated upon receipt of a report of an executed installment agreement the driver shall provide proof of financial responsibility pursuant to section 321A.17, if otherwise required by law.

7. The civil penalty, if assessed pursuant to section 321.218A, shall be added to the amount owing under the installment agreement. The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this subsection to the treasurer of state for deposit in the juvenile detention home fund created in section 232.142.

8. Upon determination by the county attorney, ~~or the county attorney's designee, or the centralized collection unit of the department of revenue~~ that the person is in default, the county attorney, ~~or the county attorney's designee, or the centralized collection unit~~ shall notify the clerk of the district court.

9. The clerk of the district court, upon receipt of a notification of a default from the county attorney, ~~or the county attorney's designee, or the centralized collection unit of the department of revenue~~ shall report the default to the department of transportation.

10. Upon receipt of a report of a default from the clerk of the district court, the department shall suspend the driver's license of a person as provided in section 321.210A. For purposes of suspension and reinstatement of the driver's license of a person in default, the suspension and any subsequent reinstatement shall be considered a suspension pursuant to section 321.210A.

11. If a new fine, penalty, surcharge, or court cost is imposed on a person after the person has executed an installment agreement with the county attorney, ~~or the county attorney's designee, the centralized collection unit of the department of revenue,~~ and the new fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 3 2, and the person's driver's license has been suspended pursuant to section 321.210A, the person may enter into a second installment agreement with the county attorney, ~~or county attorney's designee, or the centralized collection unit of the department of revenue~~ to pay the delinquent amount and the fee, if assessed, in subsection 7 in installments.

12. If an installment agreement is in default, the fine, penalty, surcharge, or court cost covered under the agreement shall not become part of any new installment agreement.

13. A person is eligible to enter into five installment agreements in the person's lifetime.

14. Except for the civil penalty if assessed and collected pursuant to subsection 7, any amount collected under the installment agreement ~~by the county attorney or the county attorney's designee~~ shall be distributed as provided in section 602.8107, subsection 4, ~~and any amount collected by the centralized collection unit of the department of revenue shall be deposited with the clerk of the district court for distribution under section 602.8108.~~

Sec. 22. Section 331.756, subsection 5, paragraph e, Code Supplement 2007, is amended by striking the paragraph.

Sec. 23. Section 423.31, Code 2007, is amended by adding the following new subsection:
NEW SUBSECTION. 7. Notwithstanding any other provision of the Code to the contrary, the department shall not attempt to collect delinquent sales tax on a transaction involving the furnishing of lawn care, landscaping, or tree trimming and removal services which occurred more than five years from the date of an audit.

Sec. 24. Section 602.8102, Code Supplement 2007, is amended by adding the following new subsection:

NEW SUBSECTION. 105B. Facilitate the collection of court debt pursuant to section 602.8107.

¹ According to enrolled Act; the phrase "~~or the~~" probably intended

Sec. 25. Section 602.8107, Code Supplement 2007, is amended by striking the section and inserting in lieu thereof the following:

602.8107 COLLECTION OF COURT DEBT.

1. As used in this section, "court debt" means all fines, penalties, court costs, fees, forfeited bail, surcharges under chapter 911, victim restitution, restitution for court-appointed attorney fees or for expenses of a public defender, or fees charged pursuant to section 356.7 or 904.108.

2. CLERK OF THE DISTRICT COURT COLLECTION. Court debt shall be owed and payable to the clerk of the district court. All amounts collected shall be distributed pursuant to sections 602.8106 and 602.8108 or as otherwise provided by this Code. The clerk may accept payment of an obligation or a portion thereof by credit card. Any fees charged to the clerk with respect to payment by credit card may be paid from receipts collected by credit card.

a. If the clerk receives payment from a person who is an inmate at a correctional institution or who is under the supervision of a judicial district department of correctional services, the payment shall be applied to the balance owed under the identified case number of the case which has resulted in the placement of the person at a correctional institution or under the supervision of the judicial district department of correctional services.

b. If a case number is not identified, the clerk shall apply the payment to the balance owed in the criminal case with the oldest judgment against the person.

c. Payments received under this section shall be applied in the following priority order:

- (1) Pecuniary damages as defined in section 910.1, subsection 3.
- (2) Fines or penalties and criminal penalty and law enforcement initiative surcharges.
- (3) Crime victim compensation program reimbursement.
- (4) Court costs, including correctional fees assessed pursuant to sections 356.7 and 904.108, court-appointed attorney fees, or public defender expenses.

d. The court debt is deemed delinquent if it is not paid within thirty days after the date it is assessed. An amount which was ordered by the court to be paid on a date fixed in the future pursuant to section 909.3 is deemed delinquent if it is not received by the clerk within thirty days after the fixed future date set out in the court order. If an amount was ordered to be paid by installments, and an installment is not received within thirty days after the date it is due, the entire amount of the court debt is deemed delinquent.

3. COLLECTION BY CENTRALIZED COLLECTION UNIT OF DEPARTMENT OF REVENUE. Thirty days after court debt has been assessed, or if an installment payment is not received within thirty days after the date it is due, the judicial branch may assign a case to the centralized collection unit of the department of revenue or its designee to collect debts owed to the clerk of the district court for a period of sixty days. In addition, court debt which is being collected under an installment agreement pursuant to section 321.210B which is in default that remains delinquent may also be assigned to the centralized collection unit of the department of revenue or its designee.

a. The department of revenue may impose a fee established by rule to reflect the cost of processing which shall be added to the debt owed to the clerk of the district court. Any amounts collected by the unit shall first be applied to the processing fee. The remaining amounts shall be remitted to the clerk of the district court for the county in which the debt is owed. The judicial branch may prescribe rules to implement this subsection. These rules may provide for remittance of processing fees to the department of revenue or its designee.

b. Satisfaction of the outstanding court debt occurs only when all fees or charges and the outstanding court debt is paid in full. Payment of the outstanding court debt only shall not be considered payment in full for satisfaction purposes.

c. The department of revenue or its collection designee shall file with the clerk of the district court a notice of the satisfaction of each portion of the court debt to the full extent of the monies collected in satisfaction of the court debt. The clerk of the district court shall record the notice and enter a satisfaction for the amounts collected.

4. COUNTY ATTORNEY COLLECTION. The county attorney or the county attorney's designee may collect court debt sixty days after the court debt is deemed delinquent pursuant to subsection 2. In order to receive a percentage of the amounts collected pursuant to this subsection

tion, the county attorney must file annually with the clerk of the district court on or before July 1 a notice of full commitment to collect delinquent court debt and must file on the first day of each month a list of the cases in which the county attorney or the county attorney's designee is pursuing the collection of delinquent court debt. The list shall include a list of cases where delinquent court debt is being collected under an installment agreement pursuant to section 321.210B, and a list of cases in default which are no longer being collected under an installment agreement but remain delinquent. The annual notice shall contain a list of procedures which will be initiated by the county attorney.

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

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

c. (1) Forty percent of the amounts collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county if the county attorney has filed the notice required by this subsection, unless the county attorney has discontinued collection efforts on a particular delinquent amount.

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

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

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

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

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

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

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

d. Any additional moneys collected by an individual county after the distributions in paragraph "c" shall be distributed by the state court administrator as follows: forty percent of any additional moneys collected by the county attorney or the person procured or designated by the county attorney shall be deposited in the general fund of the county where the moneys were collected; twenty percent of the remaining sixty percent collected by the county attorney or the person procured or designated by the county attorney shall be deposited with the office of the county attorney that collected the moneys; and the remainder shall be paid to the clerk of the district court for distribution under section 602.8108 or the state court administrator may distribute the remainder under section 602.8108 if the additional moneys have already been received by the state court administrator.

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

(2) Notwithstanding paragraph "c", if a county subject to the threshold amount in paragraph "c", subparagraph (2), subparagraph subdivision (e) or (f) enters into such an agreement exclusively with a county or counties subject to the threshold amount in paragraph "c", subparagraph (2), subparagraph subdivision (e) or (f), the threshold amount applicable to all of the counties combined shall be a single threshold amount, equal to the threshold amount attributable to the county with the largest population.

f. The county attorney shall file with the clerk of the district court a notice of the satisfaction of each portion of the court debt to the full extent of the moneys collected in satisfaction of the court debt. The clerk of the district court shall record the notice and enter a satisfaction for the amounts collected.

5. ASSIGNMENT TO PRIVATE COLLECTION DESIGNEE.

a. The judicial branch may contract with a private collection designee for the collection of court debt sixty days after the court debt in a case is deemed delinquent pursuant to subsection 2 if the county attorney is not collecting the court debt in a case pursuant to subsection 4. The judicial branch shall solicit requests for proposals prior to entering into any contract pursuant to this subsection.

b. The contract shall provide for a collection fee equal to twenty-five percent of the amount of the court debt in a case deemed delinquent. The collection fee as calculated shall be added to the amount of the court debt deemed delinquent. The amount of the court debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee. The contract may also assess the private collection designee an initial fee for entering into the contract.

c. The judicial branch may consult with the department of revenue and the department of administrative services when entering into the contract with the private collection designee.

d. Subject to the provisions of paragraph "b", the amounts collected pursuant to this subsection shall be distributed as provided in subsection 2. Any initial fee collected by the judicial branch shall be deposited into the general fund of the state.

e. The judicial branch or the private collection designee shall file with the clerk of the district court a notice of the satisfaction of each portion of the court debt to the full extent of the moneys collected in satisfaction of the court debt. The clerk of the district court shall record the notice and enter a satisfaction for the amounts collected.

6. WRITE OFF OF OLD DEBT. If any portion of the court debt in a case remains uncollected after sixty-five years from the date of imposition, the judicial branch shall write off the debt as uncollectible and close the case file for the purposes of collection pursuant to this section.

7. REPORTS. The judicial branch shall prepare a report aging the court debt. The report shall include the amounts collected by the private collection designee, the distribution of these amounts, and the amount of the fee collected by the private collection designee. In addition, the report shall include the amounts written off pursuant to subsection 6. The judicial branch shall provide the report to the co-chairpersons and ranking members of the joint appropriations subcommittee on the justice system, the legislative services agency, and the department of management by December 15 of each year.

Sec. 26. NEW SECTION. 901.5C PRONOUNCEMENT OF JUDGMENT AND SENTENCE — SOCIAL SECURITY NUMBER.

1. Prior to pronouncement of judgment and sentence pursuant to section 901.5, or prior to pleading guilty for an offense that does not require a court appearance, the defendant shall provide the defendant's social security number to the clerk of the district court or the court.

2. The clerk of the district court shall duly note the social security number in the case file.

3. The defendant's social security number shall be considered a confidential record exempted from public access under section 22.7, but shall be disclosed by the clerk of the district court for the limited purpose of collecting court debt pursuant to section 602.8107.

4. Failure or refusal to provide a social security number pursuant to this section shall not delay the pronouncement of judgment and sentence pursuant to section 901.5.

Sec. 27. Section 907.7, Code 2007, is amended to read as follows:

907.7 LENGTH OF PROBATION.

1. The length of the probation shall be for a term as the court shall fix but not to exceed five years if the offense is a felony or not to exceed two years if the offense is a misdemeanor.

2. The length of the probation shall not be less than one year if the offense is a misdemeanor and shall not be less than two years if the offense is a felony.

~~3.~~ 3. However, ~~the~~ The court may subsequently reduce the length of the probation if the court determines that the purposes of probation have been fulfilled and the fees imposed under section 905.14 have been paid to or waived by the judicial district department of correctional services and that court debt collected pursuant to section 602.8107 has been paid. The purposes of probation are to provide maximum opportunity for the rehabilitation of the defendant and to protect the community from further offenses by the defendant and others.

4. In determining the length of the probation, the court shall determine what period is most likely to provide maximum opportunity for the rehabilitation of the defendant, to allow enough time to determine whether or not rehabilitation has been successful, and to protect the community from further offenses by the defendant and others.

Sec. 28. Section 907.9, subsections 1, 2, and 4, Code 2007, are amended to read as follows:

1. At any time that the court determines that the purposes of probation have been fulfilled and ~~any~~ fees imposed under ~~sections 815.9 and section 905.14~~ and court debt collected pursuant to section 602.8107 have been paid, the court may order the discharge of a person from probation.

2. At any time that a probation officer determines that the purposes of probation have been fulfilled and ~~any~~ fees imposed under ~~sections 815.9 and section 905.14~~ and court debt collected pursuant to section 602.8107 have been paid, the officer may order the discharge of a person from probation after approval of the district director and notification of the sentencing court and the county attorney who prosecuted the case.

~~4.~~ 4. At the expiration of the period of probation and if the fees imposed under ~~sections 815.9 and section 905.14~~ and court debt collected pursuant to section 602.8107 have been paid ~~or on condition that unpaid supervision fees be paid,~~ the court shall order the discharge of the person from probation, and the ~~the~~ If portions of the court debt remain unpaid, the person shall establish a payment plan with the clerk of the district court or the county attorney prior to the discharge. The court shall forward to the governor a recommendation for or against restoration of citizenship rights to that person upon discharge. A person who has been discharged from probation shall no longer be held to answer for the person's offense. Upon discharge from probation, if judgment has been deferred under section 907.3, the court's criminal record with reference to the deferred judgment shall be expunged. The record maintained by the state court administrator as required by section 907.4 shall not be expunged. The court's record shall not be expunged in any other circumstances.

Sec. 29. Section 909.8, Code 2007, is amended to read as follows:

909.8 PAYMENT AND COLLECTION PROVISIONS APPLY TO SURCHARGE.

The provisions of this chapter governing the payment and collection of a fine, except section 909.3A, also apply to the payment and collection of surcharges imposed pursuant to chapter 911. ~~However, section 909.10 shall not apply to surcharges assessed under sections 911.3 and 911.4.~~

Sec. 30. Section 909.10, Code 2007, is repealed.

Sec. 31. DEPARTMENT OF REVENUE — COLLECTION SYSTEM UPGRADE. The director of the department of revenue shall enhance the computer assisted collections system of the department to the current web-based technical version and implement related process and procedure improvements that will generate revenue and cost benefits. The director shall procure the enhancements from the current vendor, and such enhancements shall be considered as an upgrade to that vendor's contract with the department.

Sec. 32. COLLECTION OF DELINQUENT DEBT — PROCESSING OR COLLECTION FEE. If court debt is being collected pursuant to section 602.8107, as amended by this Act, for court debt imposed, assessed, or deemed delinquent prior to the effective date of this Act, a processing fee or collection fee shall be added to the court debt as provided in this Act.

Sec. 33. LEGISLATIVE INTENT. It is the intent of the general assembly that the judicial branch enter into a contract with a private collection designee by August 1, 2008, and begin collection efforts pursuant to section 602.8107, as amended by this Act, on August 1, 2008.

Approved May 15, 2008

CHAPTER 1173
UNDERUTILIZED PROPERTY
REDEVELOPMENT TAX CREDITS
H.F. 2687

AN ACT relating to certain economic development programs by providing tax credits for the redevelopment of underutilized properties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 15.291, Code 2007, is amended to read as follows:
15.291 DEFINITIONS.

As used in this part, unless the context otherwise requires:

1. "Brownfield site" means an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination. A brownfield site includes property contiguous with the property on which the individual or commercial facility is located. A brownfield site ~~shall~~ does not include property which has been placed, or is proposed ~~to be included for placement~~, on the national priorities list established pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

2. "Council" means the brownfield redevelopment advisory council established in section 15.294.

3. "Grayfield site" means an industrial or commercial property meeting all of the following requirements:

a. The property has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property. Such property includes vacant, blighted, obsolete, or otherwise underutilized property.

b. The property's improvements and infrastructure are at least twenty-five years old and one or more of the following conditions exists:

(1) Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of twelve months or more.

(2) The assessed value of the improvements on the property has decreased by twenty-five percent or more.

(3) The property is currently being used as a parking lot.

(4) The improvements on the property no longer exist.

4. "Green development" means development which meets or exceeds the sustainable design standards established by the state building code commissioner pursuant to section 103A.8B.

5. "Qualifying investment" means the purchase price, the cleanup costs, and the redevelopment costs directly related to a qualifying redevelopment project.