

HOUSE BILL NO. 339

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES HODGINS, Cowdery, Dyson, Green, James, Kott, Ogan, Ryan, Sanders, Vezey, Austerman

Introduced: 1/21/98

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the child support enforcement agency; and providing for an**
2 **effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AUDIT OF CHILD SUPPORT ENFORCEMENT AGENCY. (a) The
5 Department of Revenue shall request the United States Department of Health and Human
6 Services to conduct an audit, as described in this section, of the child support enforcement
7 agency, Department of Revenue. If the United States Department of Health and Human
8 Services declines to conduct the audit or fails to begin conducting the audit within 30 days
9 after the request, the Legislative Budget and Audit Committee shall conduct the audit
10 described in this section.

11 (b) The audit conducted under this section must include an examination and analysis
12 covering at least the following areas with respect to each child support case with which the
13 child support enforcement agency is involved:

14 (1) the current residential address of the children and parents covered by the

1 case, the name of the adult having custody of the children, and the relationship of that adult
2 to the children; if custody has changed since the current child support obligation was
3 established, the audit shall determine whether the support order has changed accordingly and
4 whether the new noncustodial parent is making support payments;

5 (2) when child support was supposed to be paid according to the applicable
6 agency or court order, when and how much child support has been paid by the obligor, when
7 payments were received by the agency, when the agency posted the payments, and when and
8 the amount of disbursement made to the obligee or other person;

9 (3) whether the support collected by the agency matches the applicable agency
10 or court support order and, if they do not match, the reasons why they do not match;

11 (4) how many modifications of the support order have been made by the
12 agency and why;

13 (5) whether proper legal notices were served on the obligor or the obligor's
14 employer and whether postal return receipts related to legal notices are in the case file;

15 (6) whether an administrative hearing was requested, the date of the hearing,
16 the time period between the request for a hearing and the date of the hearing, and, if a
17 requested hearing did not occur, the reasons why the hearing did not occur;

18 (7) the reason for any collection of money from the obligor's accounts in
19 financial institutions, whether the accounts were jointly held, and, if so, whether the other joint
20 tenant was notified of the collection, and whether there was garnishment of wages, disability
21 payments, or unemployment benefits occurring in the case;

22 (8) when letters or other correspondence were dated and mailed by the agency,
23 with particular attention to whether predating or postdating of time-sensitive correspondence
24 occurred;

25 (9) with respect to enforcement of an out-of-state order, whether the interstate
26 agency specified the child support to be collected, whether the Alaska agency has modified
27 the out-of-state order, and whether the Alaska agency has properly applied current collections
28 to cover out-of-state interest or arrearages as well as current support obligations;

29 (10) with respect to enforcement of an out-of-state order, determination of the
30 amounts that the issuing state has credited to the obligor's account and a review of the Alaska
31 agency's records to determine if those amounts have been credited, and a determination of

1 whether the other state issued a refund to the Alaska agency and, if so, to whom the Alaska
2 agency credited the refund;

3 (11) whether tax refunds of permanent fund dividends of persons other than
4 the obligor were seized and, if so, when, how much, and why;

5 (12) whether and why interest on arrearages has been charged when automatic
6 income withholding has been used;

7 (13) whether the obligor's debt to the state based on welfare payments to the
8 children exceeds the applicable child support obligation and, if so, why;

9 (14) in the case of arrearages, whether the arrearage began accruing before or
10 after a family may have begun to receive welfare payments;

11 (15) whether interest imposed by the agency on arrearages was compound or
12 simple interest, what the annual percentage rate was, and whether the interest started accruing
13 based on the end of a month during which the payment was due or after the due date of the
14 payment.

15 (c) During the audit required by this section, the auditing agency shall

16 (1) after public notice, conduct at least three public hearings in three different
17 geographical locations in the state to solicit complaints and comments about the child support
18 enforcement agency;

19 (2) publish notice in newspapers of general circulation requesting
20 correspondence about the child support enforcement agency's operations from interested
21 persons; and

22 (3) send a letter by certified mail, return receipt requested, to all obligors and
23 obligees involved in the agency's cases requesting comments about their experiences with the
24 child support enforcement agency.

25 (d) The results of the audit required by this section shall be presented in written form
26 to the legislature by January 1, 1999.

27 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).