

CS FOR SENATE BILL NO. 190(FIN) am  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/14/94  
Offered: 4/6/94

Sponsor(s): SENATE JUDICIARY COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to income withholding and other methods of enforcement for  
2 orders of support; relating to medical support orders; amending Alaska Rule of  
3 Civil Procedure 90.3(d); and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 \* Section 1. AS 25.27.020(a) is amended to read:

6 (a) The agency shall

7 (1) seek enforcement of child support orders of the superior courts of  
8 the state in other jurisdictions and shall obtain, enforce, and administer the orders in  
9 this state;

10 (2) adopt regulations to carry out the purposes of this chapter, including  
11 regulations that establish

12 (A) schedules for determining the amount an obligor is liable  
13 to contribute toward the support of an obligee under this chapter and under 42  
14 U.S.C. 651 - 669 (Title IV-D, Social Security Act);

- 1 (B) procedures for hearings conducted under AS 25.27.170; and  
2 (C) subject to AS 25.27.025 and to federal law, a uniform rate  
3 of interest on arrearages of support that shall be charged the obligor upon  
4 notice if child support payments are 10 or more days overdue or if payment is  
5 made by a check backed by insufficient funds; however, an obligor may not be  
6 charged interest on late payment of a child support obligation, other than a  
7 payment on arrearages, if the obligor is
- 8 (i) employed and income is being withheld from the  
9 obligor's wages under an income withholding order;
- 10 (ii) receiving unemployment compensation and child  
11 support obligations are being withheld from the obligor's unemployment  
12 payments under AS 23.20.401; or
- 13 (iii) receiving compensation for disabilities under  
14 AS 23.30 and child support obligations are being withheld from the  
15 obligor's compensation payments;
- 16 (3) administer and enforce AS 25.25 (Uniform Reciprocal Enforcement  
17 of Support Act);
- 18 (4) establish, enforce, and administer child support obligations  
19 administratively under this chapter;
- 20 (5) administer the state plan required under 42 U.S.C. 651 - 669 (Title  
21 IV-D, Social Security Act) as amended;
- 22 (6) disburse support payments collected by the agency to the obligee,  
23 together with interest charged under (2)(C) of this subsection;
- 24 (7) establish and enforce administratively under this chapter, or through  
25 the superior courts of the state, child support orders from other jurisdictions pertaining  
26 to obligors within the state;
- 27 (8) enforce and administer spousal support orders if a spousal support  
28 obligation has been established with respect to the spouse and if the support obligation  
29 established with respect to the child of that spouse is also being administered; and
- 30 (9) obtain a medical support order as part of a child support order if  
31 health care coverage is available to the obligor at a reasonable cost; the agency shall

1 consider whether adequate health care is available to the child through the Indian  
2 Health Service or other insurance coverage before it orders an obligor to provide  
3 health care coverage through insurance or other means.

4 \* Sec. 2. AS 25.27.060(c) is amended to read:

5 (c) In a court proceeding where the support of a minor child is at issue, the  
6 court may order either or both parents to pay the amount necessary for support,  
7 maintenance, nurture, and education of the child. The court shall issue a medical  
8 support order as part of a child support order if health care coverage is available to the  
9 obligor at a reasonable cost. The court shall consider whether the child is eligible  
10 for services through the Indian Health Service or other insurance coverage before  
11 ordering the obligor to provide health care coverage through insurance or other  
12 means. Upon a showing of good cause the court may order the parents required to  
13 pay support to give reasonable security for payments.

14 \* Sec. 3. AS 25.27.062(a) is amended to read:

15 (a) A judgment, court order, or order of the agency under this chapter  
16 providing for support must contain an income withholding order. Except as provided  
17 in (m) of this section, the income withholding order must provide for immediate  
18 income withholding if the support order is

19 (1) being enforced by the agency and was issued or modified on or  
20 after the effective date of this Act; or

21 (2) not being enforced by the agency and was issued on or after the  
22 effective date of this Act [AN INCOME WITHHOLDING ORDER UNDER THIS  
23 SECTION MAY NOT BE ENFORCED UNLESS THE OBLIGOR HAD NOTICE OF  
24 THE ORDER WHEN IT WAS MADE OR AN APPLICATION FOR THE ORDER  
25 WAS SERVED ON THE OBLIGOR IN THE MANNER PROVIDED FOR SERVICE  
26 OF A SUMMONS UNDER RULE 4, ALASKA RULES OF CIVIL PROCEDURE].

27 \* Sec. 4. AS 25.27.062(b) is amended to read:

28 (b) An income withholding order must direct the obligor, the obligor's  
29 employer, future employer, and any person, political subdivision, or department of the  
30 state to withhold money due or to be due the obligor and pay the money to the agency,  
31 in an amount determined under (i) of this section. A court that issues a support

1 order on or after the effective date of this Act shall send a copy of the order to  
2 the agency.

3 \* Sec. 5. AS 25.27.062(c) is repealed and reenacted to read:

4 (c) Income withholding under a support order that does not require immediate  
5 withholding may be initiated under AS 25.27.150 if the support order is being enforced  
6 by the agency, or under (d) of this section if the support order is not being enforced  
7 by the agency, if

8 (1) the obligor requests withholding;

9 (2) the payments that the obligor has failed to make within 30 days of  
10 the monthly due date specified in the support order are equal to or greater than the  
11 support payable for one month; or

12 (3) the obligee requests withholding and

13 (A) the agency approves the request because all or part of the  
14 monthly payment of the obligor has been more than 10 days overdue more than  
15 one time in the preceding 12 months or there is reason to believe that the  
16 obligor might withdraw assets to avoid payment of support; in this paragraph,  
17 "10 days overdue" means occurring 10 days after the monthly due date  
18 specified in a support order; or

19 (B) the court approves the request for good cause.

20 \* Sec. 6. AS 25.27.062(d) is repealed and reenacted to read:

21 (d) Income withholding under a support order that does not require immediate  
22 income withholding and that is not being enforced by the agency may be initiated by  
23 filing a motion with the court and complying with applicable court rules. The court  
24 shall order the beginning of income withholding under this subsection if the court finds  
25 that any of the grounds in (c)(1), (c)(2), or (c)(3)(B) of this section is satisfied. It is  
26 not a defense to a motion based on (c)(2) of this section that less than one full month's  
27 payment is past due by 30 days if at least one full month's payment was past due by  
28 30 days on the date the motion was filed. Notice to the obligor of income withholding  
29 ordered under this subsection must be given in a manner that complies with court  
30 rules. In this subsection, "past due by 30 days" means unpaid 30 days after the  
31 monthly due date specified in the support order.

1 \* Sec. 7. AS 25.27.062(e) is amended to read:

2 (e) The [OBLIGEE OR PERSON OR PUBLIC] agency or the person who  
3 obtains an [THAT REQUESTED THE] income withholding order under this chapter  
4 shall immediately send a copy of the income withholding order, a copy of the relevant  
5 provisions of AS 25.27.260 and this section, and an explanation of the effect of the  
6 statutes [BY CERTIFIED MAIL] to persons who may owe money to an obligor.  
7 These items may be sent by first class mail or certified mail, return receipt  
8 requested, or they may be served personally by a process server. An income  
9 withholding order made under this chapter [SECTION] is binding upon a person,  
10 employer, political subdivision, or department of the state immediately upon receipt  
11 of a copy of the income withholding order. An employer shall begin withholding the  
12 specified amount from the employee's wages (1) 14 working days after the mailing  
13 date on the order [NOTICE] of withholding or 14 working days after the date on  
14 which the order was personally served, whichever is applicable, or (2) on the first  
15 day of the next pay period, if earlier. The amount withheld shall be sent to the agency  
16 within 10 working days after the date the employee is paid. An employer may,  
17 for each payment made under an order, deduct \$5 from other wages or salary  
18 owed to the obligor.

19 \* Sec. 8. AS 25.27.062(f) is amended to read:

20 (f) An employer may not discharge, discipline, or refuse to employ an obligor  
21 on the basis of an income withholding order issued under this chapter [SECTION].  
22 If an employer discharges, disciplines, or refuses to employ an obligor because of an  
23 income withholding obligation, the court, after notice and hearing, may order  
24 reinstatement or restitution to the obligor, or both. A person who violates this  
25 subsection or a regulation adopted to implement it, is liable for a civil penalty of not  
26 more than \$1,000.

27 \* Sec. 9. AS 25.27.062(g) is amended to read:

28 (g) An income withholding order under this chapter [SECTION] has priority  
29 over all other attachments, executions, garnishments, or other legal process brought  
30 under state law against the same property unless otherwise ordered by the court. An  
31 income withholding order is not limited to the wages of an obligor but may include

1 all money owed to the obligor not otherwise exempt by law. Exemptions under  
2 AS 09.38 do not apply to income withholdings under this chapter [SECTION].

3 \* Sec. 10. AS 25.27.062(h) is amended to read:

4 (h) The court may order payment of all court costs that resulted from an  
5 income withholding proceeding under this chapter [SECTION].

6 \* Sec. 11. AS 25.27.062(k) is repealed and reenacted to read:

7 (k) An employer who is withholding income of an employee under an order  
8 that provides that the withheld income shall be paid to the agency shall notify the  
9 agency promptly when the employee gives or receives notice of termination of  
10 employment and provide to the agency the employee's last known home address and  
11 the name and address of the employee's new employer, if known.

12 \* Sec. 12. AS 25.27.062(l) is repealed and reenacted to read:

13 (l) Unless modified or terminated by the agency or the court, an order to  
14 withhold income under this chapter remains in effect until the support order is  
15 satisfied. The agency or court may not terminate or modify an income withholding  
16 order solely on the ground that the obligor has paid all arrearages. Upon satisfaction  
17 of a support order, if the order is

18 (1) being enforced by the agency, the agency shall, within 15 working  
19 days, notify all persons served by the agency with the income withholding order that  
20 withholding is no longer required; if the agency receives money from an obligor under  
21 an income withholding order after the underlying support order has been satisfied and  
22 the agency was enforcing the support order at the time it became satisfied, the agency  
23 shall immediately return the overpayment to the obligor; if the agency fails to return  
24 an overpayment as required under this paragraph, the state is liable to the obligor for  
25 the amount of the overpayment, plus interest at the rate imposed under AS 43.05.225,  
26 and a person to whom the agency erroneously disbursed the overpayment is liable to  
27 the state for the amount disbursed, plus interest at the rate imposed under  
28 AS 43.05.225;

29 (2) not being enforced by the agency, the obligor shall file a motion  
30 in court requesting termination of the withholding order and serve the motion on the  
31 obligee; the court shall enter an order terminating the withholding order if the court

1 determines that the support order has been satisfied; the obligor may deliver a copy  
2 of the termination order to persons who were served with the income withholding  
3 order; when a termination order is entered, the obligee shall, upon request of the  
4 obligor, notify the obligor of all persons who have been served with the income  
5 withholding order by the obligee.

6 \* Sec. 13. AS 25.27.062 is amended by adding new subsections to read:

7 (m) An income withholding order described in (a)(1) - (2) of this section is  
8 not subject to immediate withholding if the support order is

9 (1) being enforced by the agency and the obligor agrees to keep the  
10 agency informed of the obligor's current employer and the availability of employment-  
11 related health insurance coverage for the children covered by the support order until  
12 the support order is satisfied and

13 (A) the agency has entered into its record a written agreement  
14 between the obligor and the obligee that provides for an alternative  
15 arrangement and income withholding has not been terminated previously and  
16 subsequently initiated; the agency must also be a party to an agreement under  
17 this paragraph if support has been assigned to the state; or

18 (B) the obligor or obligee demonstrates and the agency, in  
19 compliance with applicable federal law, finds good cause not to require  
20 immediate income withholding because it would not be in the best interests of  
21 the child and, in a case involving the modification of a support order, the  
22 obligor has made voluntary support payments under a court or agency order  
23 and has not been in arrears in an amount equal to the support payable for one  
24 month; in this paragraph, "in arrears" means failing to make a support payment  
25 within 30 days of the monthly due date specified in the order;

26 (2) not being enforced by the agency and the obligor agrees to keep the  
27 obligee informed of the obligor's current employer and the availability of employment-  
28 related health insurance coverage for the children covered by the support order until  
29 the support order is satisfied and

30 (A) the court finds that (i) a written agreement exists between  
31 the obligor and the obligee that provides for an alternative arrangement and (ii)

1 income withholding has not been terminated previously and subsequently  
2 initiated; the agency must also be a party to an agreement under this paragraph  
3 if support has been assigned to the state; or

4 (B) the obligor or obligee demonstrates, and the court, in  
5 compliance with applicable federal law, finds good cause not to require  
6 immediate income withholding because it would not be in the best interests of  
7 the child and, in a case involving the modification of a support order, the  
8 obligor has made voluntary support payments under a court or agency order  
9 and has not been in arrears in an amount equal to the support payable for one  
10 month; in this paragraph, "in arrears" means failing to make a support payment  
11 within 30 days of the monthly due date specified in the order; or

12 (3) an order that involves an obligor who is receiving social security  
13 or other disability compensation that includes regular payments to the children who are  
14 the subjects of the support order, except to the extent that the payments to the children  
15 do not equal the child support due each month.

16 (n) In calculating the amount of child support to be withheld under an income  
17 withholding order, the agency shall give credit to the obligor for the cost to the obligor  
18 of medical and dental insurance for the children and educational payments for the  
19 children to the extent that the insurance coverage and educational payments are  
20 required in the applicable child support order and are actually paid for by the obligor.

21 \* Sec. 14. AS 25.27.100 is amended to read:

22 Sec. 25.27.100. ALL PERSONS MAY USE AGENCY: FEE FOR  
23 SERVICES. The agency shall provide aid to any person due child support under the  
24 laws of this state upon application. Subject to (b) of this section, the [THE] agency  
25 may, by regulation, impose a fee for services provided under this chapter.

26 \* Sec. 15. AS 25.27.100 is amended by adding a new subsection to read:

27 (b) To the extent allowed under federal law, for each payment made by the  
28 agency to a custodian from money sent to the agency under an income withholding  
29 order issued under this chapter, the agency shall impose a fee of \$5 on the custodian.  
30 To the extent allowed under federal law, the agency shall subtract this fee from the  
31 money it receives under the income withholding order before disbursing the balance

1 of the money to the custodian.

2 \* Sec. 16. AS 25.27.140(b) is amended to read:

3 (b) If a support order has been entered, the agency may enforce the support  
4 order utilizing the procedures prescribed in AS 25.27.062, 25.27.150, [AS 25.27.150]  
5 and 25.27.230 - 25.27.270.

6 \* Sec. 17. AS 25.27.150 is repealed and reenacted to read:

7 Sec. 25.27.150. INITIATED INCOME WITHHOLDING; REQUIRED  
8 NOTICE AND HEARING. (a) In order to initiate income withholding for a support  
9 order being enforced by the agency for which immediate income withholding is not  
10 required under AS 25.27.062(a), the agency shall serve a notice of its intent to initiate  
11 income withholding on the obligor. Notice under this subsection shall be served upon  
12 the obligor by certified mail to the obligor's last known address, and service is  
13 complete when the notice is properly addressed, certified, and mailed.

14 (b) The notice must state the amount of the overdue support that is owed, if  
15 any, and the amount of income that will be withheld.

16 (c) The notice shall inform the obligor that the income withholding order will  
17 take effect 15 days after the date on which the notice is served unless the obligor  
18 requests a hearing within 15 days after the notice is served. If the obligor requests a  
19 hearing, an income withholding order may not take effect until the conclusion of the  
20 hearing.

21 (d) If the obligor requests a hearing, it shall be conducted under the  
22 department's regulations for informal conferences and shall be held within 15 days of  
23 the date of the request. The hearing may only be held to determine if there is a  
24 mistake of fact that makes the income withholding order improper because the amount  
25 of current or overdue support is incorrect, the identity of the obligor is inaccurate, or,  
26 for initiated withholding based on AS 25.27.062(c)(3)(A), the alleged facts regarding  
27 overdue payments or potential withdrawal of assets are incorrect. The order is not  
28 subject to any other legal defenses. It is not a defense to an income withholding order  
29 issued under AS 25.27.062(c)(2) that less than one full month's payment is past due  
30 if at least one full month's payment was past due on the date notice was served under  
31 this section.

1 (e) The appeals officer shall inform the obligor, either at the hearing or within  
2 15 days after the hearing, whether or not the withholding will occur and of the date  
3 on which it is to commence.

4 (f) If the appeals officer determines that withholding will occur, the obligor  
5 may request a formal hearing, as provided in the department's regulations. The  
6 income withholding order shall be issued and withholding shall begin under the  
7 procedures in AS 25.27.062, whether or not the obligor requests a formal hearing,  
8 unless the obligor posts security or a bond in the amount that would have been  
9 withheld pending the outcome of a formal hearing.

10 \* Sec. 18. AS 25.27.160(b) is amended to read:

11 (b) The notice and finding of financial responsibility served under (a) of this  
12 section must state

13 (1) the sum or periodic payments for which the alleged obligor is found  
14 to be responsible, calculated by taking into consideration the need of the alleged  
15 obligee, the alleged obligor's liability to the state under AS 25.27.120 [AS 25.27.130]  
16 if any, and the duty of support under the law;

17 (2) the name of the alleged obligee and the obligee's custodian;

18 (3) that the alleged obligor may appear and show cause in a hearing  
19 held by the agency why the finding is incorrect, should not be finally ordered, and  
20 should be modified or rescinded, because

21 (A) no duty of support is owed; or

22 (B) the amount of support found to be owed is incorrect;

23 (4) that if the person served with the notice and finding of financial  
24 responsibility does not request a hearing within 30 days, the property and income of  
25 the person will be subject to execution under AS 25.27.062 and 25.27.230 - 25.27.270  
26 [IN ACCORDANCE WITH AS 25.27.230 - 25.27.270] in the amounts stated in the  
27 finding without further notice or hearing.

28 \* Sec. 19. AS 25.27.170(b) is amended to read:

29 (b) If a request for a formal hearing under (a) of this section is made, the  
30 execution under AS 25.27.062 and 25.27.230 - 25.27.270 may not [AS 25.27.230 -  
31 25.27.270 SHALL] be stayed unless the obligor posts security or a bond in the

1        **amount of child support that would have been due under the finding of financial**  
2        **responsibility** pending the decision on the hearing [, OR THE DECISION OF A  
3        COURT, IF APPEALED]. If no request for a hearing is made, the finding of  
4        responsibility is final at the expiration of the 30-day period.

5        \* Sec. 20. AS 25.27.170(d) is amended to read:

6                (d) The hearing officer shall determine the amount of periodic payments  
7                necessary to satisfy the past, present, and future liability of the alleged obligor under  
8                **AS 25.27.120** [AS 25.27.130], if any, and under any duty of support imposable under  
9                the law. The amount of periodic payments determined under this subsection is not  
10              limited by the amount of any public assistance payment made to or for the benefit of  
11              the child.

12        \* Sec. 21. AS 25.27.170(f) is amended to read:

13              (f) If the alleged obligor requesting the hearing fails to appear at the hearing,  
14              the hearing officer shall enter a decision declaring the property **and income** of the  
15              alleged obligor subject to execution **under AS 25.27.062 and 25.27.230 - 25.27.270**  
16              [IN ACCORDANCE WITH AS 25.27.230 - 25.27.270] in the amounts stated in the  
17              notice and finding of financial responsibility.

18        \* Sec. 22. AS 25.27.180(b) is amended to read:

19              (b) Liability to the state under **AS 25.27.120** [AS 25.27.130] is limited to the  
20              amount for which the obligor is found to be responsible under (a) of this section.

21        \* Sec. 23. AS 25.27.230(a) is amended to read:

22              (a) At the expiration of 30 days from either (1) the date of **distribution of an**  
23              **income withholding order under AS 25.27.062** [SERVICE OF NOTICE UNDER  
24              AS 25.27.150], or (2) the date of service of a notice and finding of financial  
25              responsibility under AS 25.27.160, the agency may assert a lien upon the real or  
26              personal property of the obligor, in the amount of the obligor's liability.

27        \* Sec. 24. AS 25.27.230(c) is amended to read:

28              (c) The lien shall attach to all real and personal property of the obligor and be  
29              effective on the date of recording of the lien with the recorder of the recording district  
30              in which the property attached is located. A lien against earnings shall attach and be  
31              effective upon filing with the recorder of the recording district in which the employer

1 does business or maintains an office or agent for the purpose of doing business. A  
2 lien filed at the offices of the Commercial Fisheries Entry Commission in Juneau  
3 against a limited entry permit issued under AS 16.43 is considered to have been  
4 filed against the permit in all recording districts in which the permit holder uses  
5 the permit.

6 \* Sec. 25. AS 25.27.250(a) is amended to read:

7 (a) At the expiration of either (1) 15 [30] days from the date of service of an  
8 income withholding order under AS 25.27.062 or notice under AS 25.27.150, or (2)  
9 30 days from the date of service of a notice and finding of financial responsibility  
10 under AS 25.27.160, the agency may issue to any person, political subdivision, or  
11 department of the state an order to withhold and deliver property.

12 \* Sec. 26. AS 25.27.250(b) is amended to read:

13 (b) All real or personal property belonging to the obligor is subject to an order  
14 to withhold and deliver, including, but not limited to, earnings that are due, owing, or  
15 belonging to the debtor. In calculating the amount to be withheld and delivered  
16 under an order issued under this section, the agency shall give credit to the  
17 obligor for the cost to the obligor of medical and dental insurance for the children  
18 and educational payments for the children to the extent that the insurance  
19 coverage and educational payments are required in the applicable child support  
20 order and are actually paid for by the obligor.

21 \* Sec. 27. AS 25.27.250(f) is amended to read:

22 (f) If a person, political subdivision, or department of the state upon whom  
23 service of an order to withhold and deliver has been made possesses property due,  
24 owing, or belonging to the obligor, that person, subdivision, or department shall  
25 withhold the property immediately upon receipt of the order and shall deliver the  
26 property to the agency [UPON DEMAND] after the expiration of the 14-day period  
27 from the date of service of the order or expiration of the period specified in  
28 AS 25.27.062(e), whichever is earlier. The agency shall hold property delivered  
29 under this subsection in trust for application against the liability of the obligor under  
30 AS 25.27.062, 25.27.120, or 25.27.160 [AS 25.27.130] or for return, without interest,  
31 depending on final determination of liability or nonliability under this chapter. The

1 agency may accept a good and sufficient bond to secure payment of past, present,  
2 and future support conditioned upon final determination of liability in lieu of  
3 requiring delivery [DELIVERING] of property under this subsection.

4 \* Sec. 28. AS 25.27.250 is amended by adding a new subsection to read:

5 (j) A person, political subdivision, or department that fails to comply with an  
6 order to withhold and deliver served under this subsection is subject to penalties under  
7 AS 25.27.260. A person, political subdivision, or department may, for each payment  
8 made under an order to withhold and deliver, deduct \$5 from other wages or salary  
9 owed to the obligor.

10 \* Sec. 29. AS 25.27.255(a) is amended to read:

11 (a) The agency shall pay to the obligee all money recovered by the agency  
12 from the obligor under an income withholding order except for court costs and money  
13 assigned to the agency under AS 25.27.120 - 25.27.130. However, if there is more  
14 than one income withholding order under this chapter against an obligor, the  
15 agency shall allocate amounts available for withholding in a manner that gives  
16 priority to current support up to the limits imposed under 15 U.S.C. 1673(b)  
17 (sec. 303(b), Consumer Credit Protection Act). Notwithstanding the priority given  
18 to current support, the agency shall establish procedures for allocation of support  
19 among obligees so that in no case will the allocation result in a withholding order  
20 for one obligee not being implemented.

21 \* Sec. 30. AS 25.27.260 is amended to read:

22 Sec. 25.27.260. CIVIL LIABILITY UPON FAILURE TO COMPLY WITH  
23 AN ORDER OR LIEN. If a [ANY] person, political subdivision, or department of the  
24 state (1) fails to make an answer to an order to withhold and deliver within the time  
25 prescribed in AS 25.27.250; (2) fails or refuses to deliver property in accordance with  
26 an order issued under AS 25.27.250; (3) pays over, releases, sells, transfers, or conveys  
27 real property subject to a lien recorded under AS 25.27.230 to or for the benefit of the  
28 obligor or any other person; (4) fails or refuses to surrender upon demand property  
29 attached; or (5) fails or refuses to honor an assignment of wages or an income  
30 withholding order under AS 25.27.062 that was served [PRESENTED] by the agency  
31 through personal service by a process server or through certified mail, return

1           receipt requested, the person, political subdivision, or department of the state is liable  
2           to the agency in an amount equal to 100 percent of the amount constituting the basis  
3           of the lien, order to withhold and deliver, attachment, or withholding of wages or  
4           income, together with costs, interest, and reasonable attorney fees.

5           \* **Sec. 31.** AS 25.27.260 is amended by adding a new subsection to read:

6                   (b) A person, political subdivision, or department of the state that intentionally  
7                   fails or refuses to honor a properly served income withholding order under  
8                   AS 25.27.062 that is not being enforced by the agency is liable to the obligee in an  
9                   amount equal to 100 percent of the amount ordered to be withheld together with costs,  
10                  interest, and reasonable attorney fees.

11          \* **Sec. 32.** AS 33.30.131(b) is amended to read:

12                  (b) Unless alternative arrangements are expressly approved by the  
13                  commissioner, when a prisoner is employed outside a correctional facility as part of  
14                  a prerelease or short-duration furlough program, or as part of serving time in a  
15                  correctional restitution center under AS 33.30.151 - 33.30.181, the earnings of the  
16                  prisoner shall be delivered to the commissioner. If an employer transmits the earnings  
17                  to the commissioner, the employer has no liability to the prisoner for the earnings. The  
18                  commissioner shall disburse the earnings of the prisoner, in an order determined  
19                  appropriate, under procedures adopted by the commissioner to

20                           (1) pay for the room, board, and personal expenses of the prisoner in  
21                           an amount or at a rate determined by the commissioner;

22                           (2) pay any restitution or fine ordered by the sentencing court;

23                           (3) reimburse the state for an award made for violent crimes  
24                           compensation under AS 18.67 arising out of the criminal conduct of the prisoner;

25                           (4) pay a civil judgment arising out of the criminal conduct of the  
26                           prisoner; and

27                           (5) support the dependents of the prisoner, and to provide child support  
28                           payments as required by AS 25.27 [AS 25.27.062].

29          \* **Sec. 33.** Alaska Rule of Civil Procedure 90.3(d) is amended to read:

30                  (d) **HEALTH INSURANCE - CREDITS.** The court shall address coverage of  
31                  the children's health care needs and require health insurance if insurance is available

1 to either parent at a reasonable cost, The court shall consider whether the children  
2 are eligible for services through the Indian Health Service or other insurance  
3 coverage before ordering the obligor to provide health care coverage through  
4 insurance or other means. In calculating a child support award, credit will be given  
5 for medical and dental insurance, or educational payments for the children which are  
6 required by the court or administrative order and actually paid.

7 \* Sec. 34. AS 25.27.255(b), 25.27.255(c), and secs. 2 and 5, ch. 75, SLA 1991, are  
8 repealed.

9 \* Sec. 35. TRANSITIONAL PROVISION. (a) Notwithstanding other provisions of this  
10 Act, in the case of a support order issued by a court on or after January 1, 1994, and before  
11 the effective date of this Act, the court shall, upon filing of a motion by an obligee who is the  
12 subject of the support order, issue an immediate income withholding order for support,  
13 regardless of whether support payments are in arrears, unless

14 (1) a written agreement exists between the obligor and the obligee that  
15 provides for an alternative arrangement;

16 (2) the obligor demonstrates, and the court finds, that there is good cause not  
17 to require immediate income withholding; or

18 (3) the support order is being enforced by the child support enforcement  
19 agency.

20 (b) An immediate income withholding order issued under this section is governed by  
21 AS 25.27, as amended by this Act, and shall be treated as an immediate income withholding  
22 order issued under AS 25.27.062(a).

23 \* Sec. 36. This Act takes effect on the 10th day after the date it becomes law under  
24 AS 01.10.070(a).