

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 181 (Jud)
 Title An Act relating of child support; and changing Rule 7.
 Requested by Judiciary Date June 11, 1981

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Child Support Enforcement

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		421.5				
TOTAL		421.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		421.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Department of Revenue originally estimated that \$618,750 would be needed to cover the temporary payments in Sec. 47.23.257 of this bill. House Research (see attached memo) has estimated \$421,500 using slightly different assumptions. Either estimate could be feasible and the Department is willing to accept the figure used by House Research. If, after six months of operating the program, the agency feels \$421,500 is not enough for FY 82, a request for a supplemental will be submitted for consideration by the Legislature. If the income assignment provisions are effective the temporary payment fund would work somewhat like a revolving fund. If the income assignment provisions are not effective because a large number of obligors are unemployed, the fund could be drawn down quickly.

IV. DATE June 11, 1981 PREPARED BY Joseph K. Donohue

AGENCY Revenue
 PHONE 465-2300

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsors: Ray and Rodey

Offered: 6/8/81
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 181 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child support; and changing Rule
7 77 of the Alaska Rules of Civil Procedure."

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

9 * Section 1. AS 09.65 is amended by adding a new section to read:

10 Sec. 09.65.132. INCOME ASSIGNMENT ORDER FOR CHILD SUPPORT. (a)

11 A judgment, court order, or order of the child support enforcement
12 agency (AS 47.23) providing for the support of a minor child shall
13 contain an income assignment order.

14 (b) An income assignment order shall direct the obligor, his
15 employer, future employer, and any person, political subdivision, or
16 department of the state to assign money due or to be due the obligor to
17 the child support enforcement agency (AS 47.23) in an amount sufficient
18 to meet the support payments imposed by the court or by the child
19 support enforcement agency under AS 47.23.140.

20 (c) An obligee or person or public agency designated to receive
21 support payments may request an income assignment order to take effect
22 by alleging in a sworn statement that the obligor has failed to make a
23 support payment in full within 30 days of the date the payment was due.

24 (d) If an application has been filed with the clerk of court,
25 notice shall be sent by certified mail to the last known address of the
26 obligor. The notice shall be postmarked no later than 10 days after
27 the date on which the application was filed and shall inform the obligor
28 that the income assignment will take effect 15 days after the date on
29 which the notice was sent unless the obligor requests a hearing within

1 the 15 days after the notice was sent. If the obligor requests a
2 hearing, an income assignment may not take effect until the conclusion
3 of the hearing. The court shall hold a hearing requested under this
4 section within 15 days after the date the obligor requests the hearing.

5 (e) The applicant shall immediately send a copy of an income
6 assignment order by certified mail to persons identified by the obligee.
7 An income assignment made under this section is binding upon a person,
8 employer, political subdivision, or department of the state immediately
9 upon receipt of a copy of the assignment from the court.

10 (f) An employer may not discharge an obligor on the basis of an
11 assignment under this section.

12 (g) An income assignment under this section has priority over all
13 other attachments, executions, garnishments, or other assignments
14 unless otherwise ordered by the court. An income assignment is not
15 limited to the wages of an obligor but may include all money owed to
16 the obligor not otherwise exempt by law. The exemptions from execution
17 by judgment debtors under AS 09.35.080(a) and the restrictions from
18 execution by judgment debtors under AS 09.35.080(b)(1) do not apply to
19 income assignments under this section; however, 50 percent of the gross
20 wages of the obligor or \$100 a week, whichever is less, is exempt from
21 execution under this section.

22 (h) The court may order an obligor to pay all court costs involved
23 in an income assignment proceeding under this section.

24 * Sec. 2. AS 25.25.010(1) is amended to read:

25 (1) "state" includes the State of Alaska and a state, terri-
26 tory, or possession of the United States and the District of Columbia,
27 and a foreign country in which this or a substantially similar recipro-
28 cal law has been enacted;

29 * Sec. 3. AS 47.23.100 is amended to read:

1 Sec. 47.23.100. ALL PERSONS MAY USE AGENCY. The agency shall
2 provide aid to any person due child support under the laws of this
3 state upon application. The agency may not impose a fee for services
4 provided under this chapter unless required by federal law. [IF THE
5 OBLIGEE IS INDIGENT OR OTHERWISE UNABLE TO PAY FOR THESE SERVICES, THE
6 AGENCY SHALL ACT WITHOUT CHARGE TO THE OBLIGEE. IF THE AGENCY DETER-
7 MINES THAT THE OBLIGEE IS FINANCIALLY ABLE TO PAY, COSTS SHALL BE
8 ASSESSED ACCORDING TO REGULATIONS ADOPTED BY THE DEPARTMENT AND BE PAID
9 INTO THE FUND ESTABLISHED IN AS 47.23.030.]

10 * Sec. 4. AS 47.23.110 is amended by adding new paragraphs to read:

11 (7) "earnings" means compensation paid or payable for per-
12 sonal services, whether denominated as wages, salary, commission,
13 bonus, or other similar description and includes the gain derived from
14 the investment of capital, from labor, or from a combination of invest-
15 ment and labor;

16 (8) "disposable earnings" means that part of the earnings of
17 an individual that remains after the deduction from those earnings of
18 any amount required by law to be withheld.

19 * Sec. 5. AS 47.23.130 is repealed and reenacted to read:

20 Sec. 47.23.130. SUBROGATION OF STATE. (a) If the obligor is li-
21 able to the state under AS 47.23.120(a) or (b), the state is subrogated
22 to the rights of the obligee to

23 (1) bring an action in the superior court seeking an order
24 of support;

25 (2) proceed under AS 47.23.160 - 47.23.270 to establish a
26 duty of support; or

27 (3) enforce by execution, in accordance with AS 47.23.230 -
28 47.23.270, or otherwise, a support order entered in favor of the obli-
29 gee.

1 (b) To establish or enforce an order of support, based on the
2 subrogation of the state, the agency is not limited to the amount of
3 assistance being granted to the minor child.

4 (c) The recovery of any amount for which the obligor is liable
5 that exceeds the total assistance granted under AS 47.25.310 - 47.25.-
6 420 shall be paid to the obligee.

7 * Sec. 6. AS 47.23.140 is amended by adding a new subsection to read:

8 (c) A decision of the agency determining a duty of support shall
9 include an income assignment order as provided under AS 09.65.132.

10 * Sec. 7. AS 47.23.170(f) is amended to read:

11 (f) If the alleged obligor requesting the hearing fails to appear
12 at the hearing, the hearing officer shall enter a decision declaring
13 the property of the alleged obligor subject to execution in accordance
14 with AS 47.23.230 - 47.23.270 in the amounts stated in the notice and
15 finding [FILING] of financial responsibility.

16 * Sec. 8. AS 47.23.250(i) is amended to read:

17 (i) The exemptions from execution by judgment debtors under
18 AS 09.35.080(a) and the restrictions from execution by judgment debtors
19 under AS 09.35.080(b)(1) do not apply to proceedings to enforce the
20 payment of child support under AS 47.23.230 - 47.23.270; however, 50
21 percent of the gross wages of the obligor or \$100 a week, whichever is
22 less, is exempt from execution under AS 47.23.230 - 47.23.270.

23 * Sec. 9. AS 47.23 is amended by adding new sections to read:

24 Sec. 47.23.253. EARNINGS SUBJECT TO AN ORDER OR LIEN. (a) A
25 person, political subdivision, or department of the state shall withhold
26 the earnings of the obligor subject to an order or lien at each succeed-
27 ing interval of payment until the entire amount of the debt stated in
28 the order to withhold and deliver has been withheld.

29 (b) An order to withhold and deliver issued to the Department of

1 Revenue remains in effect throughout the calendar year in which it is
2 served. That order applies to any tax refund or other disbursements to
3 which the obligor is entitled even if the tax refund or disbursement is
4 issued more than 30 days after service of the order.

5 Sec. 47.23.255. INCOME ASSIGNMENT ORDERS. (a) The agency shall
6 pay the obligee all money recovered by the agency under an income
7 assignment order except for costs that are recovered from the obligor
8 or amounts withheld under AS 47.23.257(c).

9 (b) Notwithstanding AS 47.23.250, an income assignment order
10 contained in a decision of the agency that has not been set aside by
11 the superior court under AS 47.23.220 shall be enforced under the
12 procedure established in AS 09.65.132.

13 Sec. 47.23.257. TEMPORARY PAYMENT OF CHILD SUPPORT BY AGENCY.

14 (a) If an obligor fails to make a child support payment subject to an
15 income assignment provision under AS 09.65.132, the agency may pay the
16 obligee the amount of child support due under the order. Payment of
17 child support under this section may continue for three months or until
18 the obligor has paid all arrearages plus interest and costs, whichever
19 occurs first.

20 (b) In order to receive temporary child support payments under
21 this section the obligee must file an application under AS 09.65.132(c)
22 and file a copy of the application with the agency. The obligee must
23 cooperate fully with the agency in enforcing an income assignment
24 provision under AS 09.65.132.

25 (c) The agency is entitled to reimbursement for payments made
26 under this section from any arrearages recovered from the obligor under
27 AS 09.65.132.

28 * Sec. 10. AS 47.23.260 is amended to read:

29 Sec. 47.23.260. CIVIL LIABILITY UPON FAILURE TO COMPLY WITH AN

1 ORDER OR LIEN. If any person, political subdivision, or department of
2 the state (1) fails to make answer to an order to withhold and deliver
3 within the time prescribed in AS 47.23.250; (2) fails or refuses to
4 deliver property in accordance with an order issued under AS 47.23.250;
5 (3) pays over, releases, sells, transfers, or conveys real property
6 subject to a lien filed under AS 47.23.230 to or for the benefit of the
7 obligor or any other person; (4) fails or refuses to surrender upon
8 demand property attached; (5) fails or refuses to honor an assignment
9 of wages or an income assignment under AS 09.65.132 presented by the
10 agency, the person, political subdivision, or department of the state
11 is liable to the agency in an amount equal to 100 percent of the amount
12 constituting the basis of the lien, order to withhold and deliver,
13 attachment, or assignment of wages or income, together with costs,
14 interest, and reasonable attorney fees.

15 * Sec. 11. AS 47.23 is amended by adding a new section to read:

16 Sec. 47.23.275. LOCATION OF CHILDREN. Upon the written request
17 of the obligor and notice to the obligee, the agency shall release
18 information concerning the location of children to whom a duty of
19 support is owed if the obligor has paid all support payments that are
20 due and there is a visitation or joint custody agreement or order in
21 effect.

22 * Sec. 12. AS 09.65.132 added in sec. 1 of this Act has the effect of
23 changing Rule 77 of the Alaska Rules of Civil Procedure by establishing a
24 procedure and time limits for court review of an income assignment order
25 which differ from those generally applicable in civil actions.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 181 (Jud)
 Title An Act relating of child support; and changing Rule 7.
 Requested by Judiciary Date June 11, 1981

II. FISCAL DETAIL

Agency Affected Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Child Support Enforcement
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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IV. DATE June 11, 1981 PREPARED BY Joseph K. Donohue
 AGENCY Revenue
 Original: Legislative Finance PHONE 465-2300
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsors: Ray and Rodey

Offered: 4/28/81
Referred: Judiciary

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 181 (HESS) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the enforcement of child support
7 and changing Rule 56 of the Alaska Rules of Civil
8 Procedure."

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

10 * Section 1. AS 25.25.010(1) is amended to read:

11 (1) "state" includes the State of Alaska and a state, terri-
12 tory, or possession of the United States and the District of Columbia,
13 and a foreign country in which this or a substantially similar recipro-
14 cal law has been enacted;

15 * Sec. 2. AS 47.23.020(2)(A) is amended to read:

16 (A) schedules for determining the amount an obligor is
17 liable to contribute toward the support of a minor child [AN
18 OBLIGEE] under this chapter and under Title IV-D, Social Security
19 Act;

20 * Sec. 3. AS 47.23 is amended by adding a new section to read:

21 Sec. 47.23.092. REDUCING ARREARS TO JUDGMENT. The agency may
22 submit to the superior court, with notice to the obligor, a certified
23 statement of arrears. Notice may be given to the obligor by mailing by
24 certified mail a copy of the statement to the last known address of the
25 obligor. The court shall treat the certified statement of arrears as a
26 motion for summary judgment under the Alaska Rules of Civil Procedure.
27 The court may enter judgment for the amount of support which is due and
28 overdue payment fees.

29 * Sec. 4. AS 47.23.100 is amended to read:

1 Sec. 47.23.100. ALL PERSONS MAY USE AGENCY. The agency shall
2 provide aid to any person who receives or pays [DUE] child support
3 under the laws of this state upon application. The agency may not
4 impose fees for services provided under this chapter unless required
5 by federal law [IF THE OBLIGEE IS INDIGENT OR OTHERWISE UNABLE TO PAY
6 FOR THESE SERVICES, THE AGENCY SHALL ACT WITHOUT CHARGE TO THE OBLIGEE.
7 IF THE AGENCY DETERMINES THAT THE OBLIGEE IS FINANCIALLY ABLE TO PAY,
8 COSTS SHALL BE ASSESSED ACCORDING TO REGULATIONS ADOPTED BY THE DEPART-
9 MENT AND BE PAID INTO THE FUND ESTABLISHED IN AS 47.23.030].

10 * Sec. 5. AS 47.23.110(4) is amended to read:

11 (4) "obligee" means the legal custodial parent or person who
12 has the primary physical custody and responsibility for the minor child
13 [A PERSON] to whom a duty of support is owed and does not include a
14 parent who exercises regular or extended visitation rights;

15 * Sec. 6. AS 47.23.110 is amended by adding new paragraphs to read:

16 (7) "earnings"

17 (A) means compensation paid or payable for
18 personal services, whether denominated as wages, salary, commission,
19 bonus, or other similar description and includes the gain derived from
20 the investment of capital, from labor, or from a combination of in-
21 vestment and labor; and

22 (B) does not include profit gained from the
23 sale or conversion of a capital asset;

24 (8) "disposable earnings" means that part of the earnings of
25 an individual which remains after the deduction from those earnings of
26 any amount required by law to be withheld.

27 * Sec. 7. AS 47.23.130 is repealed and reenacted to read:

28 Sec. 47.23.130. SUBROGATION OF STATE. (a) If the obligor is li-
29 able to the state under AS 47.23.120(a) or (b), the state is subrogated

1 to the rights of the obligee to

2 (1) bring an action in the superior court seeking an order
3 of support or modifying an existing order of support;

4 (2) proceed under AS 47.23.160 - 47.23.270 to establish or
5 modify a duty of support; or

6 (3) enforce by execution, in accordance with AS 47.23.230 -
7 47.23.270, or otherwise, a support order entered in favor of the obli-
8 gee.

9 (b) To establish, modify, or enforce an order of support, based
10 on the subrogation of the state, the agency is not limited to the
11 amount of assistance being granted to the minor child.

12 (c) The recovery of any amount for which the obligor is liable
13 which exceeds the total assistance granted under AS 47.25.310 - 47.25.-
14 420 shall be paid to the obligee.

15 * Sec. 8. AS 47.23.150 is amended by adding a new subsection to read:

16 (c) Refusal by the obligor to accept the notice under (a) of this
17 section is considered service as of the time of the refusal.

18 * Sec. 9. AS 47.23.160(b) is amended to read:

19 (b) The notice and finding of financial responsibility served
20 under (a) of this section shall state

21 (1) the sum or periodic payments for which the alleged
22 obligor is found to be responsible, calculated by taking into consid-
23 eration the need of the minor child [ALLEGED OBLIGEE], the alleged
24 obligor's liability to the state under AS 47.23.130 if any, and his
25 duty of support under the law;

26 (2) the name of the alleged obligee and the minor child [HIS
27 CUSTODIAN];

28 (3) that the alleged obligor may appear and show cause in a
29 hearing held by the agency why the finding is incorrect, should not be

1 finally ordered, and should be modified or rescinded, because (A) no
2 duty of support is owed, or (B) the amount of support found to be owed
3 is incorrect;

4 (4) that if the person served with the notice and finding of
5 financial responsibility does not request a hearing within 30 days, the
6 property of the person will be subject to execution in accordance with
7 AS 47.23.230 - 47.23.270 in the amounts stated in the finding without
8 further notice or hearing.

9 * Sec. 10. AS 47.23.160 is amended by adding a new subsection to read:

10 (c) Refusal by the obligor to accept the notice under (a) of this
11 section is considered service as of the time of the refusal.

12 * Sec. 11. AS 47.23.170(e) is amended to read:

13 (e) The hearing officer shall consider the following in making
14 his determination under (d) of this section:

15 (1) the needs of the minor child [ALLEGED OBLIGEE, DISRE-
16 GARDING THE INCOME OR ASSETS OF THE CUSTODIAN OF THE ALLEGED OBLIGEE];

17 (2) the amount of the alleged obligor's liability to the
18 state under AS 47.23.120 [AS 47.23.125] if any;

19 (3) the intent of the legislature that children be supported
20 as much as possible by their natural parents;

21 (4) the ability of the alleged obligor to pay.

22 * Sec. 12. AS 47.23.170(f) is amended to read:

23 (f) If the alleged obligor requesting the hearing fails to appear
24 at the hearing, the hearing officer shall enter a decision declaring
25 the property of the alleged obligor subject to execution in accordance
26 with AS 47.23.230 - 47.23.270 in the amounts stated in the notice and
27 finding [FILING] of financial responsibility.

28 * Sec. 13. AS 47.23.190(a) is amended to read:

29 (a) Unless a support order has been entered, the obligor, or the

1 obligee [OR HIS CUSTODIAN], may petition the agency or its designee for
2 a modification of the finding or decision of responsibility previously
3 entered with regard to future periodic support payments.

4 * Sec. 14. AS 47.23.190(c) is amended to read:

5 (c) If a hearing is granted, the agency shall serve a notice of
6 hearing together with a copy of the petition and affidavits submitted
7 on the obligee [OR HIS CUSTODIAN] and the obligor personally or by
8 [REGISTERED,] certified [, OR INSURED] mail, return receipt requested,
9 for restricted delivery only to the person to whom the notice is
10 directed or to the person authorized under federal regulation to receive
11 his restricted delivery mail.

12 * Sec. 15. AS 47.23 is amended by adding a new section to read:

13 Sec. 47.23.255. EARNINGS EXEMPT FROM ORDER OR LIEN. (a) Not
14 more than 50 percent of the disposable earnings of the obligor is
15 exempt from an order to withhold and deliver under AS 47.23.250. The
16 exempt part of the disposable earnings may be paid to the obligor even
17 if the earnings are paid monthly, weekly, or at other intervals.

18 (b) A person, political subdivision, or department of the state
19 shall withhold the nonexempt part of the earnings of the obligor at
20 each succeeding interval of payment until the entire amount of the debt
21 stated in the order to withhold and deliver has been withheld.

22 (c) An order to withhold and deliver issued to the Department of
23 Revenue remains in effect throughout the calendar year in which it is
24 served. That order applies to any tax refund or other disbursements to
25 which the obligor is entitled even if the tax refund or disbursement is
26 issued more than 30 days after service of the order.

27 * Sec. 16. AS 47.23.092 added in sec. 3 of this Act has the effect of
28 changing Rule 56 of the Alaska Rules of Civil Procedure by permitting a
29 certified statement of arrears from the child support enforcement agency to

1 be treated as a motion for summary judgment under Rule 56.

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ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 8, 1981

MEMORANDUM

TO: Representative Don Clocksin

FROM: Christine Johnson *Johnson*
Research Staff

SUBJECT: Research Request No. 81-106
Temporary Child Support Fund

As you requested, I have attempted to calculate the amount that would be needed in a fund making temporary child support payments to children covered by mandatory wage assignments.

Based on 1975-1979 divorce trends, there should be about 1850 families with mandatory wage assignments during 1981. It is difficult to estimate how many of these assignments will go into effect during the year. The Child Support Enforcement Agency currently reports a default rate of about 62% for its cases with child support orders. However, the default rate may be lower for the cases under consideration for two reasons. First, obligors are more likely to make regular payments during the first year after a divorce or separation. Second, in other states, cases with mandatory wage assignments show very high payment rates. In New York, for example, cases with a mandatory income withholding have a payment rate of 80%, regardless of whether the assignment is in effect, compared to a 40% payment rate for cases without such a provision.

Our best estimate is that the temporary payment fund would require an investment of about \$316,000 for FY 82; however, this is based on a number of assumptions which you should consider:

1. The average monthly child support payment awarded by the court will be \$150. This may appear high. The Child Support Enforcement Agency reports that the average monthly child support award for their clients is \$82.50 per child. However, many of the Agency's cases are several years old; it is likely that child support awards have risen with the cost of living. Additionally, the Agency's caseload is not representative of all the families in the state awarded child support payments, but may include most of the families with low support orders.
2. The default rate among obligors will be 25% over the year.

MEMORANDUM

State of Alaska

TO: Robert D. Stevenson
Legislative Assistant

DATE: March 17, 1981

FILE NO:

TELEPHONE NO: 465-2320

FROM: Gary L. Jenkins
Director, Audit Division

SUBJECT: Analysis of
Senate Bill 181

Senate Bill 181 is apparently based on an early draft for proposed legislative changes prepared by CSEA during the summer of 1980. There was considerable concern that the proposed language was not as clear as it could be and that it included civil procedure rules changes. After very careful review by the Department of Law and the staff of the Child Support Enforcement Agency, a final draft was prepared which was introduced by the Governor as House Bill 167. The final language generally accomplishes the same things, does not require any changes in civil procedure rules and gives a clearer picture of the processes which it will change.

The language in SB 181 could cause a person to believe that because a change in the consumer price index of 20% is prima facie evidence of a change in circumstances and it would result in an automatic modification of a support order. The language in HB 167 makes it clear that the consumer price index change can be used as one source of information in the modification process.

The current language in AS 47.23.100 mandates the agency to adopt regulations to charge the custodial parent who has the ability to pay such fees, a reasonable fee for collecting child support payments. At the public hearings regarding these regulations, the public unanimously requested this mandate be eliminated. As no fees have been collected to date, there would be no fiscal impact on eliminating the requirement to assess these fees. Although the agency does not anticipate charging a fee at any time in the foreseeable future, it is recommended that the law retain maintaining the discretion to charge reasonable fees, if needed, to those individuals with the ability to pay such fees. This discretion would be critical if the federal government changed its position with regard to the 75% funding or a mandatory requirement for fees.

SB 181 will make an order to withhold and deliver more efficient by requiring less repetitive paperwork. This new section will allow a third party to continue holding fifty percent of wages or earnings as it becomes due to the delinquent obligor, until the total arrearages stated in the notice of the delinquent obligor's liability has been

satisfied. Prior to issuing a withhold and deliver attachment, the obligor is formally notified of the delinquency and is given thirty days to make arrangements with the agency to satisfy the delinquency. The agency and the third party will only have to serve and receive the order to withhold and deliver once in those cases where the obligor has not made payments as required by court order.

SB 181 will also allow the agency to attach any tax refunds or any other distributions made by the state to delinquent obligors, up to the amount of arrearage stated in the order to withhold and deliver. Section 15 of House Bill 167 accomplishes the same thing, but with more direct language, which clearly explains the entire process. Several terms are also defined in House Bill 167 which further explain the working process of withhold and deliver attachments.