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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HB 362

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act establishing the crime of aiding the nonpayment of child BRU: Child Support Enforcement Division
support . Componen.: Child Support Enforcement Division
 Sponsor: Representative Martin
 Requestor: (H)HES COMPONENT SERIAL NO. 111

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0					
REVENUE FUND SOURCE:	0.0					

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)
NONE

Prepared by: Marv Gav. Director *Marv Gav*
 Division: Child Support Enforcement Division
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel*
 Agency: Department of Revenue

Phone: 263-6270
 Date: 1-20-94
 Date: 1/21/94

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HOUSE COMMITTEE REPORT

(9)

Date Referred: January 11, 1994

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 3/25/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 362

HOUSE BILL NO. 362

AIDING NONPAYMENT OF CHILD SUPPORT

"An Act establishing the crime of aiding the nonpayment of child support."

RECOMMENDATIONS:

be replaced with CS HB 362 (HESS) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Dist)

fiscal impact _____

fiscal note(s) _____

zero fiscal note Revenue

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Tom Bueck</i>	<input checked="" type="checkbox"/>	<i>Pete Fott</i>			<input checked="" type="checkbox"/>
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			<input checked="" type="checkbox"/>
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	

Tom Bueck
 CHAIRMAN'S SIGNATURE

Sec 3

L101296-801
03/10/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
18:05:07

TCN: 40502 DATE & TIME: 03/25/94 15:00 TO 16:00 STATUS:7 STATS: IN

**** ORDER SUMMARY ****

SPONSOR: BHE: HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOHY
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE BUNGE
CONTACT: LYONE TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106

SPONSOR REMARKS(PUB): TESTIMONY: INVITATION ONLY 99 MINUTE LIMIT
TCN REQUESTED ON 03/25/94 AND HAS 1 UPDATES

**** AGENDA ****

1 HB 362 AIDING NONPAYMENT OF CHILD SUPPORT

**** PARTICIPATING LTOS ****

* JBU JUNEAU CAPITOL CAP106 LOCATION STAFF

**** VOLUNTEER & OFFNET SITES ****

222 OFF OFFNET 1 ANCHORAGE MARY GAY (907)263-2270

PARTICIPANTS IN JUNEAU

JBU

1	TO	OBSERVE	OBSV. ALL ITEMS
2	TO	OBSERVE	OBSV. ALL ITEMS
3	TO	OBSERVE	OBSV. ALL ITEMS
4	TO	OBSERVE	OBSV. ALL ITEMS
5	TO	OBSERVE	OBSV. ALL ITEMS
6	TO	OBSERVE	OBSV. ALL ITEMS
7	TO	OBSERVE	OBSV. ALL ITEMS
8	TO	OBSERVE	OBSV. ALL ITEMS
9	TO	OBSERVE	OBSV. ALL ITEMS
10	TO	OBSERVE	OBSV. ALL ITEMS
11	TO	OBSERVE	OBSV. ALL ITEMS
12	TO	OBSERVE	OBSV. ALL ITEMS
13	TO	OBSERVE	OBSV. ALL ITEMS
14	TO	OBSERVE	OBSV. ALL ITEMS
15	TO	OBSERVE	OBSV. ALL ITEMS
16	TO	OBSERVE	OBSV. ALL ITEMS
17	TO	TESTIFY	TSFY. ALL ITEMS
18	TO	TESTIFY	TSFY. ALL ITEMS
19	TO	TESTIFY	TSFY. ALL ITEMS

PARTICIPANTS IN OFFNET 1

222 OF 1

1 MS. MARY GAY TSFY. ALL ITEMS
AK (907)600-0000



Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 2/22/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 362: AIDING NONPAYMENT OF CHILDSUPPORT
 * HB 429: SPECIAL EDUCATION SERVICE AGENCY
 * HB 359: APPROP: CONSTRUCT UPGRADE ON-BASE SCHOOLS
 HSTR47 FUNDS TO UPGRADE MILITARY BASE SCHOOLS

* INDICATES FIRST PUBLIC HEARING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Larson Tom	(SEI)					Y N	only if necessary
PAT MADROS	YUKON-KUYUK SCH DIST		99765	474-9400		* N	359
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

State of Alaska/Department of Revenue
 Child Support Enforcement Division
 Top 100 Non-Payers of Child Support in the State of Alaska
 (Defined as obligators owing the most back child support)

CITY/STATE/ZIP	AMOUNT	CITY/STATE/ZIP	AMOUNT
HAINES AK99827	191,339.46	SCAMMON BAY AK99662	134,247.74
FAIRBANKS AK99701	167,860.61	MIKTO AK99758	235,663.61
OUZINKI AK99644	137,250.57	ANCHORAGE AK99504	161,696.71
EMMONAK AK99581	151,157.31	ALAKANUK AK99554	171,549.40
ST. GEORGE IS. AK99660	207,324.82	COPPER CENTER AK99573	144,215.14
KETCHIKAN AK99901	191,384.92	FAIRBANKS AK99706	152,963.62
ANCHORAGE AK995109999	133,991.56	KING COVE AK99612	163,719.23
ELIM AK99739	144,438.29	METLAKATLA AK99926	131,647.31
FAIRBANKS AK99710	134,161.93	FAIRBANKS AK99708	146,504.02
JUNEAU AK99801	196,828.70	ANCHORAGE AK99503	172,321.13
ANCHORAGE AK99508	141,695.77	SAND POINT AK996610117	130,811.77
FAIRBANKS AK99707	142,937.81	ANCHORAGE AK99504	138,526.52
HYDABURO AK99922	131,727.41	KOYUK AK99753	147,030.60
ATMAUTLUAK AK99559	151,334.19	JUNEAU AK99801	168,468.37
DILLINGHAM AK99576	133,299.72	TOK AK99780	143,624.48
FAIRBANKS AK997014151	145,688.74	ANCHORAGE AK99509	165,102.78
ANCHORAGE AK99508	154,888.84	CHIGNIK LAKE AK99548	142,850.10
NOME AK99742	140,821.91	TUHTUTULIAK AK99680	185,466.44
ALAKANUK AK99554	311,343.40	BETHEL AK99559	214,834.16
WILLOW AK99688	149,954.66	FAIRBANKS AK99701	142,102.69
ANCHORAGE AK99508	135,019.67	ANCHORAGE AK99501	180,779.65
COPPER CENTER AK99573	193,260.43	KOTZEBUE AK99752	136,755.83
NOME AK99762	245,450.31	WASILLA AK996876451	187,535.11
PALMER AK996450919	164,738.99	ANCHORAGE AK99507	144,975.06
ANCHORAGE AK99503	143,646.63	ANCHORAGE AK99508	153,680.33
EMMONAK AK99581	155,664.85	RED DEVIL AK99656	172,099.35
CHUGIAK AK99567	138,230.09	ANCHORAGE AK99517	153,501.12
ANCHORAGE AK99508	196,311.01	ANCHORAGE AK99514	151,898.97
FAIRBANKS AK99701	157,012.07	METLAKATLA AK99926	173,793.06
ANCHORAGE AK99503	157,695.67	BETHEL AK995592163	140,925.39
BETHEL AK99559	157,589.43	ANCHORAGE AK995085901	187,995.09
ANCHORAGE AK99508	158,119.41	BIG LAKE AK99652	135,387.69
GAMBELL AK99742	234,673.63	ANCHORAGE AK99501	149,110.46
HEALY AK99743	204,400.54	JUNEAU AK99801	181,726.38
EGGCIK AK99579	163,595.50	KENAI AK99611	134,597.17
SEWARD AK99664	145,913.44	SOLDOTHA AK996693018	191,415.92
ANCHORAGE AK99508	214,624.84	FAIRBANKS AK99701	189,727.61
BIG LAKE AK99652	147,101.88	EAGLE RIVER AK99577	162,202.62
ANCHORAGE AK995104675	139,084.97	DILLINGHAM AK99576	136,609.52
ANCHORAGE AK99508	132,134.91	FAIRBANKS AK99701	132,581.72
ANCHORAGE AK99503	144,787.34	NAPASKIAK AK99559	172,292.38
TELLER AK99778	179,123.32	BARROW AK997231205	146,124.64
MIKTO AK99758	161,526.84	UNALAKLEET AK99684	143,514.11
ANCHORAGE AK995161212	180,228.93	ANCHORAGE AK995083183	135,953.80
UNALAKLEET AK99684	161,831.00	BETHEL AK99559	136,405.28
CHEVAK AK99563	142,805.52	FAIRBANKS AK99709	147,518.95
ANCHORAGE AK99507	140,026.42	SELDOVIA AK99663	172,993.07
KIANA AK99749	143,576.47	BETHEL AK99559	167,524.11
JUNEAU AK99801	143,386.80	MTH VILLAGE AK99632	204,211.00
		KETCHIKAN AK99901	144,435.53
		ST PAUL IS AK99660103	219,489.16

Total owed
 on Top 100 cases
 \$16,227,134

SPONSOR SUMMARY

HB 362

HB 362 is an anti-obstructionist bill with the intent of helping a child-support obligator from evading his obligation through the deferment of his salary or through compensation via another channel.

This law makes it a crime for any person who intentionally withholds information, fails to disclose financial information, or aids the obligator in any way to evade his/her responsibility for paying child support.

An example of how this happens: Joe owes \$500 a month in child support and doesn't feel that amount is fair, so he looks for ways not to have to pay it. He enlists the help of an employer, friend, or relative and they work out an agreement whereby Joe will work for wages under the table. Joe gets paid in cash or in a barter arrangement, so there is no way to trace an income and the employer, friend or relative is uncooperative if the child support enforcement agency is trying to garnish the wages of Joe.

In this case, the bill would make it a crime for the employer, friend or relative to aid Joe in avoiding his responsibility. Because they knowingly and intentionally help Joe bypass this responsibility, the State would like to go after these people, and could do so with this bill. The more money owed, then the more severe the penalty.

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2150
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 14, 1994

SUBJECT: Sectional Summary of HB 362, a Bill Establishing the Crime of Aiding the Nonpayment of Child Support (Work Order No. 8-LS1459\E)

TO: Representative Terry Martin
ATTN: Nancy

FROM: Terri Lauterbach 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1.

Establishes a new crime for persons who, by withholding information about a child support obligor, or by entering into business transactions with a child support obligor, intentionally assist the obligor in avoiding the payment of child support.

TML:gc
94-033.glc

8-LS1459J
Lauterbach
2/21/94

CS FOR HOUSE BILL NO. 362()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MARTIN, B.Davis

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the statute of limitations for actions brought upon a child
2 support judgment; and establishing the crime of aiding the nonpayment of child
3 support."

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

5 * Section 1. AS 09.10.040 is amended to read:

6 Sec. 09.10.040. ACTION UPON JUDGMENT OR SEALED INSTRUMENT
7 IN 10 YEARS. Except as provided in (b) of this section. a [NO] person may not
8 bring an action upon a judgment or decree of a court of the United States, or of a state
9 or territory within the United States, and an [NO] action may not be brought upon a
10 sealed instrument, unless the action is commenced within 10 years.

11 * Sec. 2. AS 09.10.040 is amended by adding a new subsection to read:

12 (b) An action may be brought to establish a judgment for child support
13 payments that are 30 or more days past due under a support order, as defined in
14 AS 25.27.900, if the action is commenced by the date on which the youngest child

1 covered by the support order becomes 21 years of age. An action after the
2 establishment of the judgment is governed by (a) of this section.

3 * Sec. 3. AS 11.51 is amended by adding a new section to read:

4 Sec. 11.51.122. AIDING THE NONPAYMENT OF CHILD SUPPORT. (a)

5 A person commits the crime of aiding the nonpayment of child support if the person

6 (1) knows that a person has a duty under an administrative or judicial
7 order for payment of child support; and

8 (2) intentionally

9 (A) withholds information about the residence or employment
10 of the person who owes child support when that information is requested by a
11 child support enforcement agency; or

12 (B) participates in a commercial, business, or employment
13 arrangement with the person who owes support, knowing at the time that the
14 arrangement is made that it will allow the person who owes support to avoid
15 paying all or some of the support when it is due or to avoid having a lien
16 placed on assets for the payment of delinquent support; receipt of a substantial
17 asset for less than fair market value from a person who owes support after the
18 person's support order has been established constitutes a rebuttable presumption
19 that the person receiving the asset knew that the transfer would allow the
20 person who owes support to avoid paying all or some of the support or to
21 avoid having a lien placed on the asset.

22 (b) This section does not prohibit an arrangement entered into with an attorney
23 for the purpose of paying the attorney who represents the child support obligor in
24 proceedings to contest or modify a child support order.

25 (c) Aiding the nonpayment of child support is a

26 (1) class B misdemeanor if the amount of child support past due by
27 more than 30 days is less than \$1,000;

28 (2) class A misdemeanor if the amount of child support past due by
29 more than 30 days is at least \$1,000 but less than \$5,000;

30 (3) a class C felony if the amount of child support past due by more
31 than 30 days is \$5,000 or more.

118 Holdinghausen Dr.
Crystal City, MO 63019
February 17, 1994

Representative Terry Martin
House of Representative
State Capitol
Juneau, AK 99801-1182

Dear Representative Martin,

For the last six years I have not received child support in any regular fashion from my ex-husband for the support of my four children. Most money has come from the seizure of dividend checks. He is presently \$28,729.54 behind in back child support.

While we were married my ex-husband supported the family by working as a contractor. Primarily the income came from the sell of custom built homes, rental property, and the sell of undeveloped lots. He would also do jobs requiring heavy equipment. After the divorce he filed for bankruptcy and the business ended. Through various means he has been supporting his life style. He talked at different times of a home he was building in the Delta Junction area. He has a vehicle, a boat, and a snowmobile. He took a business trip to Seattle one year for training in insulation spraying. One summer he could afford a trip to Missouri, but left town the same day he went to court for harassment and nonpayment of child support. There is presently a warrant for his arrest for failure to appear at the next scheduled court date.

The divorce awarded assets to both of us. The monthly payments on the sell of undeveloped lots was part of the assets he received. One person who was making payments paid off the debt with a boat. The others, I am presuming, made the payments. These would be cashed rather than deposited. After having an account seized no other accounts in his name have been located in the state that I have been made aware of.

Evasion of payments for child support through parents claiming no or little income when in fact there is appears to be a common practice. My ex-husband has stated numerous times that he is untraceable by any government agency and will not pay child support... Thus far he has succeeded through the aid of others who are willing to assist him.

One tactic used by my ex-husband has been to transfer real estate property to a family member's name. This was done prior

to his filing for bankruptcy so he could retain the lake front property. Another tactic was putting vehicles he owned in someone else's name. Another way of trying to be untraceable was by not obtaining a current driver's license.

I am also aware of him approaching others to assist him in his deception by asking to operate a business under their contractor's license. More specifically, he approached Weidner Construction, out of Delta Junction, asking to operate under their contractor's license. For whatever reasons Weidner Construction declined.

He has also purchased equipment from U.C.S.C. in Fairbanks to run a business. He paid four thousand dollars in cash for this equipment. The business that he had in mind was apparently to do insulation work while traveling the rivers to Nome where he could make money that would be untraceable.

Through the process of bartering he has been able to perform jobs and be paid in cash or receive ivory that he can sell later for untraceable cash. He has talked of other jobs that he has done to make money. One being cutting trees in the Delta Junction area, another working on a fishing boat, I believe near Nome, and trapping.

Family member have played a large role in my ex-husband's evasion of responsibility to his children through knowingly assisting him as mentioned already. The other is people willing to pay in cash or trade for services he performed.

The past six years after my divorce have been very difficult. At one point I was working three jobs along with attending college to obtain a bachelor's degree. I also sold everything I could live without to pay for my educational costs and to support the children. I applied for student loans, was awarded grants and received scholarships to be able to afford the costs.

During this time my children have gone without basic human needs to the point that some might call it neglect. Dental care was postponed till I could afford it. Eye glasses were not purchased as needed. Food was bought as the money was available. Of course there is aid to dependent children and medical assistance available through the government, but I chose to do it myself. If put into the same situation today - recently divorce, no job skills, and four children - I'm not for certain which route I'd take.

I am presently working full-time as a special education teacher, am attending graduate school, with a caseload of nine hours per semester, and teach summer school while raising four children ages nine to fifteen. It has been very stressful and quite frankly I'm exhausted.

These experiences while being exhausting in themselves have also been exasperating especially given that numerous contacts have been made in the past six years to the Child Support Enforcement Agency urging them to please help me in obtaining this support. Only recently has any real action begun on this case. At this time information is being compiled to take to the attorney general to see if charges will be filed.

The laws as they are presently written are not a great enough deterrent for nonpaying parents and those who conspire to assist them in this criminal act of nonsupport. Parents who do not support their children by evading this responsibility are committing a heinous crime. Persons who enable this behavior by aiding the nonsupport paying parent are also guilty of a heinous crime against children. Until the laws are changed and aiders are forced to accept the consequences of their actions the cycle will not change.

I actively support the passage of House Bill 362. This letter may be forwarded to other individuals concerned with the passage of House Bill 362.

Sincerely,

Beth Bach

Mary "Beth" Bach