

HB

344

FISCAL NOTE

No: 1

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

Bill Version: HB 344
(H) Publish Date: 1/23/98

Revision Date (Note if correction) _____ Dept Affected Administration
 Title _____ DRU Legal and Advocacy Services
"An Act relating to paternity establishment and child support..." Component Public Defender Agency
 Sponsor Rules Committee
 Requester Governor Component Serial No. 1631

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	***	***	***	***	***	***
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	***	***	***	***	***	***

CAPITAL EXPENDITURES	***	***	***	***	***	***
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CHANGE IN REVENUES ()	***	***	***	***	***	***
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	**	**	**	**	**	**
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	***	***	***	***	***	***

Estimate of any current year (FY98) cost: 00

POSITIONS

Full-time	***	***	***	***	***	***
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The main concern the Public Defender Agency has with this bill is the effect it will have on people who need "sport" fishing and hunting licenses for subsistence. Although it is obviously important to comply with federal law, there should be an exception or temporary licensing provision for subsistence hunting and fishing.

This bill may result in a slight increase to the Public Defender Agency caseload. Adding loss of sport fishing and hunting licenses to the already existing criminal laws on non-support probably would not have an effect, although given the importance of sport fishing and hunting licenses in Alaska, more cases may go to trial. The main effect would most likely be in contempt of court cases. Indigent native fathers who do not complete genetic testing would have a right to a court-appointed attorney in contempt of court.

Prepared by Barbara K. Brink, Director Phone 7-264-4614
 Division Public Defender Agency Date _____
 Approved by Commissioner Mark Boyer Date 11/28/97
 Agency Department of Administration

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FISCAL NOTE

No: 2

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: HB 344
(H) Publish Date: 1/23/98

Revision Date (Note if correction) _____ Title <u>"An Act relating to paternity</u> <u>establishment and child support..."</u> Sponsor <u>Rules Committee</u> Requester <u>Governor</u>	Dept. Affected <u>Administration</u> BRU <u>Office of Public Advocacy</u> Component <u>Office of Public Advocacy</u> Component Serial No. <u>43</u>
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Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

.002 Federal Receipts						
.003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by	<u>Brant McGee</u>	Phone	<u>269-3500</u>
Division	<u>Office of Public Advocacy</u>	Date	_____
Approved by	<u>Mark Boyer, Commissioner</u>	Date	<u>11/28/97</u>
Agency	<u>Department of Administration</u>		

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FISCAL NOTE

No: 3

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: HB 344
 (H) Publish Date: 1/23/98

Revision Date (Note if correction) _____	Dept. Affected _____	Administration _____
Title "An Act relating to paternity establishment and child support"	BRU	Division of Motor Vehicles
Sponsor Rules Committee	Component	Field Services
Requester Governor	Component Serial No.	2150

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 00

POSITIONS

POSITION TYPE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

No fiscal impact anticipated.

Prepared by Juanita Mensley
 Division Motor Vehicles

Approved by Mark Boyer, Commissioner
 Agency Department of Administration

Phone 465-5848
 Date 12/17/97

Date 12/17/97

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FISCAL NOTE

NO. 4

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: HB 344
(H) Publish Date: 1/23/98

Revision Date: _____ Dept. Affected: Revenue
 Title: Federal Welfare Reform BRU: Child Support Enforcement Division
 Component: Child Support Enforcement Division
 Sponsor: Rules
 Requestor: Governor COMPONENT SERIAL NO. 111

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1016 Federal Incentive Payments						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation was developed so that Alaska will be in compliance with the mandates of 1996 federal welfare reform and subsequent technical amendments. This legislation is required to avoid fiscal sanctions that the federal government will impose if the state does not comply with federal law. Failure to satisfy the mandates could mean a drastic reduction in federal funding of Alaska's Child Support Enforcement and Public Assistance Divisions.

The legislation requires employers to report all new hires or rehires within 20 days; gives court the authority to revoke sport fishing and hunting licenses if the license holder fails to honor a child support or paternity subpoena or is substantially in arrears on child support; mandates that social security numbers be provided on applications for driver's licenses and hunting and sport fishing licenses and that the information will be shared with child support enforcement agencies; and gives support liens from other states the same standing as Alaskan liens and provides for

(Continued on Page 2)

Prepared by: Barbara Miles, Director Phone: 269-4800
 Division: Child Support Enforcement Division Date: 11/26/97
 Approved by: [Signature]
 Commissioner: Wilson Condon Date: 11/24/97
 Agency: Dept. of Revenue

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**DEPARTMENT OF REVENUE
CHILD SUPPORT ENFORCEMENT DIVISION**

Federal Welfare Reform
November 26, 1997
Work Draft #0007
Page 2 of 2

Fiscal Note Analysis, continued

liens to arise as a matter of law. This legislation also makes changes in statutes to assure that the Alaskan child support program is able to operate under federal requirements.

Child support enforcement is a cornerstone of federal welfare reform. Congress has recognized that it is very difficult for families with low incomes to adequately support their children without the assistance of both parents. Therefore, the federal legislation increases requirements for CSED to meet various deadlines and improve processes for obtaining child support.

CSED does not associate increased costs directly with this legislation. Therefore, the fiscal note is zero. However, it must be recognized that changes mandated by welfare reform not addressed in this legislation require additional resources in order for CSED to meet federal requirements.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 344

Revision Date: (Note if correction)
 Title: "An Act relating to paternity establishment and child support..."
 Sponsor: Rules by Request of Governor
 Requestor: (H) HES

Department Affected: Administration
 BRU: Public Defender Agency
 Component: Public Defender Agency
 COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 98) cost: \$ none

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Department of Administration.

Prepared by: Barbara Brink, Director
 Division: Public Defender Agency

Phone: 264-4414
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 2/10/98

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HOUSE COMMITTEE REPORT

(7)
 Date Referred to Committee: January 23, 1998 FURTHER REFERRALS: Judiciary
Finance

Date of Committee Action: 2/17/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 344

HOUSE BILL NO. 344 PATERNITY/CHILD SUPPORT/NONSUPPORT CRIMES

"An Act relating to paternity establishment and child support; relating to the crimes of criminal nonsupport and aiding the nonpayment of child support; and amending Rule 37(b)(2)(D), Alaska Rules of Civil Procedure; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 344 (HES) the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) Admin zero fiscal note(s) Revenue/1/23/98
(2) Admin 1/23/98

SIGNING WITH RECOMMENDATIONS	DP	DNP	IR	AM
<i>Joseph D. ...</i>			✓	
<i>Car Beards</i>	✓			
<i>Brian Foster</i>	✓			
<i>...</i>		✓		
<i>...</i>		✓		
<i>Tom Bessie</i>			✓	

CHAIR'S SIGNATURE *Car Beards*

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
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Juneau, Alaska 99801-2105

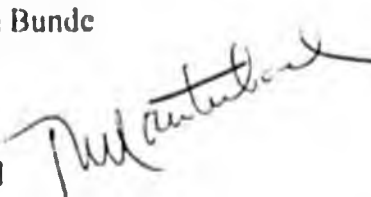
MEMORANDUM

February 13, 1998

SUBJECT: Paternity; Support (CSHB 344(HES), version "E")

TO: Representative Con Bunde
Attn: Lynne

FROM: Terri Lauterbach
Legislative Counsel



Enclosed is a draft HES CS for HB 344. We have added the Porter amendment, as requested.

Since this was our first opportunity to review the underlying governor's bill, we have also made some technical changes at a number of other places in the bill, chief among them the following:

(1) changing the first part of the bill title so that it refers to "support orders" rather than "child support"; this change, or something similar, is needed because of the change in the definition of "support order" in sec. 26 of the bill; it appears that a support order may now include only an alimony order as long as a child is living in the same household;

(2) deletion of the phrase "occurring after the effective date of this bill section" in AS 25.27.075(a) and the addition of a corresponding applicability section at the end of the bill.

Please let us know if we can be of further assistance.

TML:lmb
98-012.lmb

Enclosure

0-GH2007E
Lauterbach
2/13/98

CS FOR HOUSE BILL NO. 344(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to paternity establishment and to support orders; relating to the
2 crimes of criminal nonsupport and aiding the nonpayment of child support;
3 amending Rule 37(b)(2)(D), Alaska Rules of Civil Procedure; and providing for
4 an effective date."

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

6 * Section 1. PURPOSE. The primary purpose of this Act is to amend the Alaska Statutes
7 to comply with the mandates of the federal Personal Responsibility and Work Opportunity
8 Reconciliation Act of 1996 and other federal law to ensure continued federal financial
9 participation for Alaska's child support enforcement, public assistance, and unemployment
10 programs.

11 * Sec. 2. AS 09.10.040(a) is amended to read:

12 (a) Δ [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] person may
13 not bring an action upon a judgment or decree of a court of the United States, or of
14 a state or territory within the United States, and an action may not be brought upon

1 a sealed instrument, unless the action is commenced within 10 years.

2 * Sec. 3. AS 09.50.020 is amended by adding a new subsection to read:

3 (b) In addition to the penalty specified in (a) of this section, the court may
4 suspend or revoke, for a period not to exceed one year, a hunting license, sport fishing
5 license, or both, issued under AS 16.05, or the person's ability to obtain the licenses,
6 if

7 (1) the person is a natural person;

8 (2) the contempt is one under AS 09.50.010(4) - (10); and

9 (3) the court, sitting without a jury, finds by a preponderance of
10 evidence that

11 (A) the contempt related to failure to pay money in connection
12 with a child support action or proceeding; or

13 (B) it appears that a right or remedy of a party in a child
14 support action or proceeding was defeated or prejudiced by the contempt.

15 * Sec. 4. AS 11.51.120(c) is amended to read:

16 (c) Criminal nonsupport is a class A misdemeanor and is also punishable by
17 loss of hunting and sport fishing licenses as provided in AS 12.55.139.

18 * Sec. 5. AS 11.51.122(d) is amended to read:

19 (d) Aiding the nonpayment of child support is a class A misdemeanor and is
20 also punishable by loss of hunting and sport fishing licenses as provided in
21 AS 12.55.139.

22 * Sec. 6. AS 12.55 is amended by adding a new section to read:

23 Sec. 12.55.139. Penalties for criminal nonsupport or aiding the
24 nonpayment of child support. In addition to other penalties imposed, for the offense
25 of criminal nonsupport under AS 11.51.120 or aiding the nonpayment of child support
26 under AS 11.51.122, the court may suspend or revoke, for a period not to exceed one
27 year, a hunting license, sport fishing license, or both, issued under AS 16.05, if the
28 defendant is a natural person.

29 * Sec. 7. AS 16.05.330 is amended by adding a new subsection to read:

30 (e) A natural person applying for a license or tag for hunting or sport fishing
31 shall provide the person's social security number on the license application. Upon

1 request, the department shall provide the social security number to the child support
2 enforcement agency created in AS 25.27.010, or the child support agency of another
3 state, for child support purposes authorized by law.

4 * Sec. 8. AS 16.05.346 is amended by adding a new subsection to read:

5 (d) A person applying for a permit under this section shall provide the person's
6 social security number on the permit application. Upon request, the department shall
7 provide the social security number to the child support enforcement agency created in
8 AS 25.27.010, or the child support agency of another state, for child support purposes
9 authorized by law.

10 * Sec. 9. AS 16.05.360 is amended to read:

11 **Sec. 16.05.360. Commissioner charged with license issuance.** The
12 commissioner or an authorized deputy shall issue each license and tag to a qualified
13 person under written application containing such reasonable information as required
14 by the commissioner. The commissioner shall designate the license and tag form or
15 type. The form or type must be sufficient to identify and locate the applicant, [AND]
16 establish the applicant's status as to residency and citizenship, and supply the
17 person's social security number if required by this chapter. Each application shall
18 be subscribed and sworn to by the applicant before an officer authorized to administer
19 oaths in the state.

20 * Sec. 10. AS 16.05.360 is amended by adding a new subsection to read:

21 (b) Upon request, the department shall provide a social security number
22 provided by an applicant under (a) of this section to the child support enforcement
23 agency created in AS 25.27.010, or the child support agency of another state, for child
24 support purposes authorized by law.

25 * Sec. 11. AS 25.20.050 is amended by adding a new subsection to read:

26 (p) An order for genetic testing issued by a tribunal under (e) of this section
27 in an action to establish paternity may be enforced by a superior court through the use
28 of the court's contempt powers. If the tribunal is the child support enforcement
29 agency, it may use the procedure set out in AS 25.27.167 for enforcement of
30 administrative orders.

31 * Sec. 12. AS 25.25.602(a) is amended to read:

1 (a) A support order or income withholding order of another state may be
2 registered in this state by sending the following documents and information to a
3 tribunal of this state:

4 (1) a letter of transmittal to the tribunal requesting registration and
5 enforcement;

6 (2) two copies, including one certified copy, of all orders to be
7 registered, including any modification of an order;

8 (3) a sworn statement by the party seeking registration or a certified
9 statement by the custodian of the records showing the amount of any arrearage;

10 (4) the name of the obligor and, if known,

11 (A) the obligor's address and social security number;

12 (B) the name and address of the obligor's employer and any
13 other source of income of the obligor; and

14 (C) a description and the location of property in this state of the
15 obligor not exempt from execution; and

16 [(D) THE NAMES AND ADDRESSES OF ALL POTENTIAL
17 THIRD-PARTY RESOURCES, INCLUDING A HEALTH INSURER, THAT
18 MIGHT BE AVAILABLE TO MEET THE REQUIREMENTS OF A
19 MEDICAL SUPPORT ORDER; AND]

20 (5) the name and address of the obligee and, if applicable, the agency
21 or person to whom support payments are to be remitted.

22 * Sec. 13. AS 25.25.611(a) is amended to read:

23 (a) After a child support order issued in another state has been registered in
24 this state, unless the provisions of AS 25.25.613 apply, the responding tribunal of this
25 state may modify that order only if, after notice and an opportunity for hearing, it finds
26 that

27 (1) the following requirements are met:

28 (A) the child, the individual obligee, and the obligor do not
29 reside in the issuing state;

30 (B) a petitioner who is not a resident of this state seeks
31 modification; and

1 (C) the respondent is subject to the personal jurisdiction of the
2 tribunal of this state; or

3 (2) [AN INDIVIDUAL PARTY OR] the child, or a party who is an
4 individual, is subject to the personal jurisdiction of the tribunal and all of the
5 [INDIVIDUAL] parties who are individuals have filed a written consent in the issuing
6 tribunal providing that a tribunal of this state may modify the support order and
7 assume continuing, exclusive jurisdiction over the order; however, if the issuing state
8 is a foreign jurisdiction that has not enacted a law or procedure substantially similar
9 to this chapter, the written consent of an [THE] individual [PARTY] residing in this
10 state is not required for the tribunal to assume jurisdiction to modify the child support
11 order.

12 * Sec. 14. AS 25.27.022(b) is amended to read:

13 (b) Except for requests for assistance made under (c) of this section or
14 AS 25.25.501, requests [REQUESTS] from child support enforcement agencies in
15 other states shall be made by application containing the information that this state's
16 agency requires and including written authorization from the requesting state agency
17 and the obligee for this state's agency to initiate necessary action.

18 * Sec. 15. AS 25.27.022 is amended by adding new subsections to read:

19 (c) Requests from a child support agency of another state for assistance in
20 enforcing support orders through high-volume automated administrative enforcement
21 may be made by electronic or other means and must include the information required
22 by 42 U.S.C. 666(a)(14).

23 (d) An employer receiving an income withholding order from a child support
24 agency of another state shall comply with the choice of law provisions of
25 AS 25.25.502(d), 25.25.503, and 42 U.S.C. 666(b)(6)(A)(i)(V).

26 * Sec. 16. AS 25.27.062(e) is amended to read:

27 (e) The agency or the person who obtains an income withholding order under
28 this chapter shall immediately send a copy of the income withholding order, a copy
29 of the relevant provisions of AS 25.27.260 and this section, and an explanation of the
30 effect of the statutes to persons who may owe money to an obligor. These items may
31 be sent by first class mail or certified mail, return receipt requested, or they may be

1 served personally by a process server, except that the agency alternatively may send
2 the items by electronic means. An income withholding order made under this chapter
3 is binding upon a person, employer, political subdivision, or department of the state
4 immediately upon receipt of a copy of the income withholding order. A person
5 receiving an income withholding order [AN EMPLOYER] shall immediately begin
6 withholding the specified amount from the obligor's earnings [EMPLOYEE'S
7 WAGES]. The amount withheld shall be sent to the agency within seven business
8 days after the date the amount would otherwise have been paid or credited to the
9 obligor [EMPLOYEE]. An employer may, for each payment made under an order,
10 deduct \$5 from other wages or salary owed to the obligor.

11 * Sec. 17. AS 25.27.063(b) is amended to read:

12 (b) If an obligor who is required to provide health care coverage under a
13 medical support order is eligible for family health coverage through an employer
14 [DOING BUSINESS IN THE STATE], the court or agency issuing the medical
15 support order shall send a copy of the medical support order to the employer. If the
16 agency has notice that the obligor has changed or will be changing employment
17 and is or will be eligible for family health coverage through the new employer, the
18 agency shall send a copy of the medical support order to the new employer.

19 * Sec. 18. AS 25.27.075 is repealed and reenacted to read:

20 Sec. 25.27.075. **Employment information.** (a) An employer doing business
21 in the state shall report to the agency the hiring, rehiring, or return to work of each
22 employee. The report shall be made within the time limits set out in (b) of this
23 section. The report must contain the name, address, and social security number of the
24 newly hired employee, the name and address of the employer, and the identifying
25 number assigned to the employer by the United States Department of the Treasury,
26 Internal Revenue Service.

27 (b) An employer required to report under (a) of this section shall use the
28 following procedures to make the report:

29 (1) if the report is submitted magnetically or electronically, the report
30 shall be made in a format mutually agreed upon by the employer and the agency; an
31 employer reporting under this paragraph shall make two transmissions a month, not

1 less than 12 days nor more than 16 days apart; or

2 (2) if the report is not submitted magnetically or electronically, the
3 report shall be made on a United States Department of the Treasury, Internal Revenue
4 Service, W-4 form or, at the option of the employer, on an equivalent form; an
5 employer reporting under this paragraph shall make the report to the agency not later
6 than 20 days after the date of the hiring, rehiring, or return to work of the employee;
7 the report shall be transmitted by the employer by first class mail.

8 (c) An employer that does business in this state and that has employees in at
9 least one other state is not required to comply with (a) of this section if, in compliance
10 with the laws of that state, the employer

11 (1) submits timely magnetic or electronic reports of hires, rehires, or
12 returns to work to the state directory of new hires of another state in which the
13 employer has employees; and

14 (2) has provided written notification of its election under this subsection
15 to the United States Secretary of Health and Human Services.

16 (d) In addition to reporting under (a) of this section, a labor organization of
17 which an obligor is a member or another employer of the obligor shall promptly
18 provide to the agency, or the child support enforcement agency of another state,
19 information requested regarding the obligor's compensation, employment, wages or
20 salary, and occupation.

21 (e) An employer may charge \$1 to each employee who is reported to the
22 agency under this section to cover the cost of the reporting.

23 (f) In addition to other sanctions available under the law, a labor organization
24 or another employer that violates this section is liable for a civil penalty for each
25 failure to meet the requirements of this section of not more than

26 (1) \$25 for each employee who is newly hired, rehired, or newly
27 returned to work; and

28 (2) \$500 if the failure is the result of a conspiracy between the
29 employee and either a labor organization or another employer not to supply the
30 required report or to supply a false or incomplete report concerning an employee.

31 (g) In this section.

1 (1) "employee" has the meaning given in 26 U.S.C. 3401(c);
2 "employee" does not include an employee of a federal or state agency performing
3 intelligence or counterintelligence functions if the head of that agency has determined
4 that reporting under this section on the employee could endanger the safety of the
5 employee or compromise an ongoing investigation or intelligence mission;

6 (2) "employer" has the meaning given in 26 U.S.C. 3401(d);
7 "employer" includes a governmental entity and a labor organization;

8 (3) "labor organization" has the meaning given in 29 U.S.C. 152; "labor
9 organization" includes an entity that is used by the labor organization and another
10 employer to carry out hiring or other requirements described in 29 U.S.C. 158(f)(3) in
11 accordance with an agreement between the labor organization and the other employer.

12 * Sec. 19. AS 25.27.085 is amended by adding a new subsection to read:

13 (g) If a person fails to comply with a subpoena issued under this section, the
14 agency may apply to the court for an order to compel obedience by proceedings for
15 contempt as in the case of disobedience of the requirements of a subpoena issued by
16 a court. In addition to the other remedies available to the court to compel compliance
17 with a subpoena under this section, the court may take an action described in
18 AS 09.50.020(b) regarding hunting and sport fishing licenses of a person failing to
19 comply with the subpoena.

20 * Sec. 20. AS 25.27.165(c) is amended to read:

21 (c) A person served with a notice of paternity and financial responsibility and
22 accompanying orders under (b) of this section shall file a response, admitting or
23 denying paternity and providing the required financial information, within 20 days after
24 the date of service of the notice of paternity and financial responsibility. If the
25 putative father admits paternity, the agency shall issue, within 20 days after the
26 admission of paternity, a decision establishing paternity. If the putative father denies
27 paternity, the putative father shall submit to genetic testing, as provided in (b) of this
28 section, within 30 days after the date of service of the notice of paternity and financial
29 responsibility. If the putative father fails to file a response or fails to comply with
30 an accompanying order within the time and in the manner required in this
31 subsection, the agency may issue a decision by default establishing paternity and

1 financial responsibility, except that, if the proceeding was instituted at the request
2 of the putative father, the agency shall dismiss the proceeding without prejudice.

3 * Sec. 21. AS 25.27 is amended by adding a new section to read:

4 Sec. 25.27.167. Contempt of order for genetic testing. (a) If a person who
5 is located in this state fails to comply with an order for genetic testing issued by the
6 agency in this state, or the tribunal of another state, the agency in this state may certify
7 the facts to the superior court of this state.

8 (b) Upon certification under (a) of this section, the court shall issue an order
9 directing the person to appear and show cause why the person should not be punished
10 for contempt. The order and a copy of the certified statement shall be served on the
11 person in the manner required for service of court orders to show cause.

12 (c) After service under (b) of this section, the court has jurisdiction of the
13 matter brought under this section.

14 (d) The law of this state applicable to contempt of a court order applies to a
15 proceeding for contempt of order for genetic testing brought under this section.

16 * Sec. 22. AS 25.27.230(a) is repealed and reenacted to read:

17 (a) The agency shall assert a lien upon the real or personal property of the
18 obligor in the amount of the obligor's liability if an arrearage occurs under a support
19 order being enforced by the agency.

20 * Sec. 23. AS 25.27.230 is amended by adding new subsections to read:

21 (e) A lien arising in another state under the child support laws of that state
22 shall be given full faith and credit in this state. The lien may be asserted in this state
23 upon the real or personal property of the obligor in the amount of the obligor's liability
24 by complying with the requirements of this section.

25 (f) A lien recorded under this section is a judgment lien and may be enforced
26 by execution under AS 09.35 in the full amount of the obligor's liability at the time
27 of execution.

28 * Sec. 24. AS 25.27.240(a) is amended to read:

29 (a) The agency of this state or another state, or a party or other entity
30 seeking to enforce a child support obligation, may, at any time after recording of a
31 lien recorded under AS 25.27.230, serve a copy of the lien upon any person, political

1 subdivision, or department of the state possessing earnings, or deposits or balances
2 held in any bank account of any nature that are due, owing, or belonging to the
3 obligor.

4 * Sec. 25. AS 25.27.250(a) is repealed and reenacted to read:

5 (a) Without prior notice to the obligor, the agency may issue to any person,
6 including an entity, political subdivision, or state agency, an order to withhold and
7 deliver property under this section; the order may be issued

8 (1) immediately upon issuance of an income withholding order that
9 provides for immediate income withholding under AS 25.27.062(a);

10 (2) immediately after an arrearage occurs under a support order
11 described in AS 25.27.150(a);

12 (3) at the expiration of 30 days after the date of service of a notice and
13 finding of financial responsibility under AS 25.27.160; or

14 (4) at the expiration of 30 days after service of a decision establishing
15 paternity and financial responsibility under AS 25.27.165.

16 * Sec. 26. AS 25.27.900(9) is amended to read:

17 (9) "support order" means any judgment, decree, or order that is issued
18 by a tribunal for the support and maintenance of a child or of [A CHILD AND] a
19 parent with whom the child is living; "support order" includes a judgment, decree, or
20 order

21 (A) on behalf of a child who has reached the age of majority
22 if the judgment, decree, or order was lawfully issued; and

23 (B) for

24 (i) monetary support, including arrearages;

25 (ii) payment of health care costs or maintenance of
26 health insurance;

27 (iii) reimbursement of related costs;

28 (iv) payment of attorney fees and legal costs and other
29 fees; and

30 (v) penalty, interest, and other relief as required by a
31 tribunal; [.]

1 * Sec. 27. AS 25.27.900 is amended by adding new paragraphs to read:

2 (11) "arrearage" means a debt for support that is past due and equal to
3 at least one monthly obligation under the support order;

4 (12) "high-volume automated administrative enforcement" means the
5 use of automatic data processing to search various state data bases, including license
6 records, employment service data, and state new-hire registries, to determine whether
7 information is available regarding a parent who owes a child support obligation.

8 * Sec. 28. AS 28.15.061(b) is amended to read:

9 (b) An application under (a) of this section must

10 (1) contain the applicant's full name, social security number, date and
11 place of birth, sex, and mailing and residence addresses;

12 (2) state whether the applicant has been previously licensed as a driver
13 and, if so, when and by what jurisdiction;

14 (3) state whether any previous driver's license issued to the applicant
15 has ever been suspended or revoked or whether an application for a driver's license has
16 ever been refused and, if so, the date of and reason for the suspension, revocation, or
17 refusal; and

18 (4) contain other information that the department may reasonably
19 require to determine the applicant's identity, competency, and eligibility.

20 * Sec. 29. AS 28.15.061 is amended by adding a new subsection to read:

21 (g) Upon request, the department shall provide a social security number
22 provided under this section to the child support enforcement agency created in
23 AS 25.27.010, or the child support agency of another state, for child support purposes
24 authorized by law.

25 * Sec. 30. AS 09.10.040(b) is repealed.

26 * Sec. 31. Section 148(c), ch. 87, SLA 1997, is repealed.

27 * Sec. 32. The provisions of AS 25.20.050(p), added by sec. 11 of this Act, and
28 AS 25.27.167, added by sec. 21 of this Act, have the effect of amending Rule 37(b)(2)(D),
29 Alaska Rules of Civil Procedure, by permitting the use of contempt of court powers to enforce
30 orders for genetic testing.

31 * Sec. 33. The provisions of AS 25.20.050(p), added by sec. 11 of this Act, and

1 AS 25.27.167, added by sec. 21 of this Act, take effect only if sec. 32 of this Act receives the
2 two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State
3 of Alaska.

4 * **Sec. 34. APPLICABILITY.** The report required under AS 25.27.075(a), enacted by sec.
5 18 of this Act, applies to the hiring, rehiring, or return to work of an employee that occurs on
6 or after the effective date of this Act.

7 * **Sec. 35.** This Act takes effect immediately under AS 01.10.070(c).

1

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE PORTER

TO: HB 344

1 Page 1, following line 10:

2 Insert a new bill section to read:

3 "* Sec. 2. AS 09.10.040(a) is amended to read:

4 (a) A [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] person may
5 not bring an action upon a judgment or decree of a court of the United States, or of
6 a state or territory within the United States, and an action may not be brought upon
7 a sealed instrument, unless the action is commenced within 10 years."

8 Renumber the following bill sections accordingly.

9 Page 11, following line 20:

10 Insert a new bill section to read:

11 "* Sec. 30. AS 09.10.040(b) is repealed."

12 Renumber the following bill sections accordingly.

13 Renumber internal references to bill sections in accordance with this amendment. Internal
14 bill section references are in the following places:

15 Page 11, line 22

16 Page 11, line 23

17 Page 11, line 26

18 Page 11, line 27

TONY KNOWLES
GOVERNOR



HB 344

P O Box 110001
Juneau Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 1998

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

While federal welfare reform law gave our state greater flexibility for providing public assistance, it also required Alaska and other states to make extensive changes to their state child support laws. The attached bill is needed to satisfy mandates placed on Alaska by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Failure to comply with the federal child support mandates may result in a significant reduction in federal financial participation to the state for public assistance, unemployment, and child support enforcement programs.

The state's enactment of Senate Bill 154 last year met most, but not all, of the federal child support mandates of federal welfare reform. More needs to be done to finish the job. This bill will do that by making additional changes to Alaska's statutes.

Under this bill, all employers in the state would be required to report each new hire to the state child support enforcement agency within 20 days. The state will share this information with the federal child support agency and the child support agencies of other states. Timely access to this information may help avoid significant delays in support payments for some children.

The bill would also fine-tune state procedures for establishing paternity and for enforcing child support orders. The bill would also make state law conform to new federal requirements regarding reporting of social security numbers for certain licensees not already required to report under state law. The social security numbers provide an invaluable means of ensuring that support payments are timely received and accurately recorded.

GOVERNOR'S TRANSMITTAL LETTER

The Honorable Gail Phillips
January 21, 1998
Page 2

The bill also amends the Uniform Interstate Family Support Act (UIFSA), which Alaska enacted in 1995, to reflect subsequent changes to the uniform Act adopted by the National Conference of Commissioners on Uniform State Laws. Congress requires that our state child support laws be consistent with the uniform Act.

Finally, this bill will give state courts the power to suspend or revoke, in appropriate circumstances, the recreational hunting and fishing licenses and certain permits of obligors who are out of compliance with child support laws.

I urge your prompt attention to this important matter. Alaska's children are our most precious resource and they deserve timely access to child support necessary for their care.

Sincerely,



Tony Knowles
Governor



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for
Children and Families

2201 Sixth Avenue, Suite 600
Seattle, WA 98121-1827

JAN 15 1998

Barbara Miklos, Director
Child Support Enforcement Division
550 West 7th, 4th Floor
Anchorage, AK 99501-3556

Dear Ms. Miklos:

This is in response to your request for clarification of:

- The consequences if a State fails to enact laws or otherwise conform to the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, and
 - Nationwide information on state compliance with PRWORA.
1. In order for a State to receive Federal funding for the operation of its child support enforcement program, it must have an approved State IV-D plan which meets the requirements of section 454 of the Social Security Act (the Act). One of those requirements, specified at section 454(20)(A), is that the State must have in effect all of the laws required by section 466.

PRWORA made numerous changes to sections 454 and 466 of the Act. When a State fails to comply with all statutory requisites, its plan is subject to disapproval by the Office of Child Support Enforcement (OCSE). In accordance with sections 452(a)(3) and 455(a)(1)(A) of the Act, there would then be no authority to expend Federal funds under Title IV-D of the Act for the operation of the State's child support enforcement program.

Therefore, a determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE. Alaska received approximately \$12.4 million in Title IV-D funding for the administration of its child support program in FY 1997, and over \$3.2 million in Title IV-D performance related child support incentives.


Page 2 - Barbara Miklos

In addition, in order to be eligible for a block grant for Temporary Assistance to Needy Families (TANF), section 402(a)(2) of the Act requires a State to certify that it will operate a child support enforcement program under the State plan approved under part D. Therefore, TANF funding would also be jeopardized if the State failed to enact the required child support legislation on a timely basis. Alaska's Federal funding for IV-A for FY 1997 was approximately \$63 million.

2. Data on state compliance with PRWORA changes frequently. We are therefore unable to provide you with an accurate and up to date listing of which states have fully complied with its provisions. Most states have either passed legislation that has been found complete, or is under review. Alaska is in the category of states which did not pass enabling legislation in 1997, but which have expressed an intent to do so and are working with its Regional Office to develop such legislation. Only one state, Idaho, has failed to enact enabling legislation and has stated it is unwilling to do so. Attached is a "notice of intent" to disapprove Idaho's state plan, with the resulting loss of Federal funding. If proposed legislation is not enacted in Alaska, our office would begin the process of issuing a similar notice of intent to disapprove.

Please contact Michael Furtado at (206) 615-2552, ext. 3045 if you have any further questions.

Sincerely,


Stephen S. Hennigson
Regional Administrator

Attachment: Idaho Notice of Intent to Disapprove

Proposed Child Support Legislation to Meet Federal Mandates

HB344 has been introduced to bring Alaska into compliance with mandates of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended. This informal analysis shows how the proposed legislation is designed to comply with specific federal mandates.

- **Action Against Recreational Licenses:** 42 USC 666(a)(16) requires Alaska to have laws giving the state authority to withhold, suspend, or restrict recreational or sporting licenses of individuals owing overdue child support or who have failed, after receiving notice, to comply with a subpoena or warrant relating to paternity or child support. Sections 2, 3, 4, 5, 10, 18, and 20 of the bill are designed to bring Alaska into compliance with 42 USC 666(a)(16). These sections give Alaska courts, in criminal and civil proceedings, the authority to punish contempt of a child support order, or a child support or paternity subpoena, with the loss of hunting or sport fishing licenses.
- **Social Security Numbers on Licenses:** 42 USC 666(a)(13), as amended by technical amendments to the Personal Responsibility and Work Opportunity Act of 1996, now requires Alaska to have laws requiring that applicants for driver's licenses or recreational licenses record their social security numbers on applications and requiring the licensing agencies to share the numbers with the child support agency of this and other states. Sections 6, 7, 8, 9, 27 and 28 are designed to bring Alaska into compliance with 42 USC 666(a)(13).
- **Enforcing Paternity Testing Orders of Other States:** 42 USC 666(c)(1)(A) requires Alaska to have laws which provide for the recognition and enforcement of the genetic testing orders of other states. Section 20 would permit Alaska to honor this commitment by allowing a superior court in Alaska to enforce out of state genetic testing orders with the court's contempt powers.
- **Default Administrative Paternity Orders:** 42 USC 666(a)(5)(H) requires Alaska to have laws which permit the entry of default paternity orders. AS 25.20.050(g) currently allows such orders in court paternity cases. Section 19 of the bill would allow entry of default orders in administrative paternity cases.
- **Additional Amendments to UIFSA:** 42 USC 666(f) requires Alaska to adopt the most current version of the Uniform Interstate Family Support Act (UIFSA). The federal Office of Support Enforcement has stated that states must adopt a verbatim version of the uniform law. Alaska's version of UIFSA is not identical with the uniform law. An attorney for the National Conference of Commissioners on Uniform State Laws has reviewed Alaska's current version of UIFSA and found it acceptable, if amendments are made to two sections of Alaska's UIFSA. Sections 11 and 12 of the bill would make the suggested changes.

- **High Volume Enforcement of Interstate Orders:** 42 USC 666(a)(14) requires Alaska to have laws which permit child support agencies from other states to make electronic requests for high volume automated administrative enforcement of their out of state orders if Alaska provides such enforcement for Alaska orders. Sections 13, 14 and 26 would permit other states to make such a requests.
- **Requirements for honoring interstate withholding orders:** 42 USC 666(b)(6)(A)(I)(V) requires Alaska to have a law stating that employers who receive a withholding order from another state, must follow the laws of the issuing state concerning any terms of withholding that are not stated in the order. Section 14 would satisfy this requirement.
- **Definition of Income:** Section 15 of the bill would amend AS 25.27.062 so that income withholding orders issued by courts will reach all earnings which qualify as "income" under the federal definition of the term set out in 42 USC 666(b)(8). It would do this by replacing the word, "wages" with "earnings" and the words "an employer" with "a person receiving an income withholding order" in AS 25.27.062(e). The current version of AS 25.27.900(4) sets out a definition for "earnings" that is the same definition provided for "income" by 42 USC 666(b)(8). Since 666(b)(8) provides the definition of "income" for the mandatory income withholding provisions of 42 USC 666, section 15 would insure that Alaska will comply with those mandatory income withholding provisions.
- **Medical Support Orders:** In cases where a child support obligor changes employment and the new employer offers health care coverage for the obligor's children, 42 USC 666(a)(19) requires Alaska to have laws which require CSED to send a copy of a medical support order to the new employer. The federal mandate also requires Alaska to have laws which require that the obligor's children will be automatically enrolled in the health care coverage. Section 16 of the bill would comply with the mandates.
- **Employer New Hire:** 42 USC 653A requires Alaska to have a law requiring all employers in the state to report each new hire, rehire, or return to work of every employee to CSED within 20 days of the event. Section 17 of the bill would bring Alaska into compliance with this mandate.
- **Liens:** 42 USC 666(a)(4) requires Alaska to have laws which provide that child support liens arise by operation of law when the obligor is in arrears on his child support debt. The federal law also mandates that Alaska give full faith and credit to the child support liens of other states, and requires Alaska to allow the enforcement of intrastate and interstate child support liens without judicial notice or hearing. These mandates would be satisfied with the passage of sections 21, 22, and 23 of the bill.
- **Income Withholding:** 42 USC 666(c)(1)(G) requires Alaska to have laws which permit the seizure of a child support obligor's assets without the need to first obtain leave from the court or an administrative tribunal if the obligor is in arrears on his obligation. Section 24 would satisfy this mandate.

- **Definition of Support Order:** 42 USC 653(p) provides a definition of "support order" for purposes of the federal child support laws. In SB 154, Alaska adopted the then-current definition of "support order," however Congress subsequently amended 653(p). Section 25 of the bill would make corresponding amendments to "support order" in AS 25.27.900.
- **Definition of Arrearage:** 42 USC 666(b)(3)(B) describes what constitutes an arrearage for purposes of its mandatory income withholding provisions. Section 26 would adopt the same definition for Alaska's child support laws, thereby helping to insure that the Alaska income withholding provisions comply with the federal mandate.
- **Repealing Sunset Provision of SB 154:** In 1997 the Alaska Legislature passed SB 154 in an effort to comply with the mandates of the federal Personal Responsibility and Work Opportunity Reconciliation Act. Section 148(c) of SB 154 provides that all these necessary changes to state law will be repealed on July 1, 1999. Section 29 of the bill would repeal this sunset provision, thereby protecting Alaska from being found drastically out of compliance with federal law.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

January 30, 1998

P.O. BOX 110400
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TELEPHONE: (907) 465-2300
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The Honorable Con Bunde
Chairman, House Health, Education
and Social Services Committee
State Capitol
Juneau, AK 99801

Dear Representative Bunde:

Re: House Bill 344

I am writing to ask that you schedule a hearing on House Bill 344. This legislation follows up on requirements of the federal welfare reform bill -- the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. It is needed to bring Alaska into full compliance with the federal legislation aimed at reducing the dependence on government-funded public assistance by increasing personal responsibility for child support.

In approving welfare reform, Congress adopted several requirements that states must meet in order to retain federal funding of child support enforcement and federal public assistance services. Alaska met many of those when the Legislature last year approved changes in child support statutes. This year's measure would finish the job.

When the Congress adopted welfare reform, it sent a strong message to the states to strengthen their laws for child support enforcement. The belief is that by adding more tools to child support agencies, it will enable them to improve the efficiency and accuracy of collection efforts. The more the states are able to collect for child support, the less the states and the federal government have to pay out in public assistance.

HB 344 will help parents who are raising their children. It will help the state in its continuing drive to help people off the welfare rolls. And it will allow Alaska to maintain federal support for its child support enforcement budget. I look forward to working with you and ask that you schedule a hearing on this bill at your earliest convenience.

Sincerely,



Wilson L. Condon
Commissioner

98-006