

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10194 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

**HB**

**41**

# STATE OF ALASKA

## DEPARTMENT OF REVENUE CHILD SUPPORT ENFORCEMENT DIVISION

TONY KNOWLES,  
GOVERNOR  
Please Reply To:

CSED, MS  
550 W. 7<sup>th</sup> Ave., Suite 310  
Anchorage, AK 99501-6699  
907-269-6900  
800-478-3300 Toll Free in Alaska  
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February 21, 2001

The Honorable Fred Dyson  
Alaska State Legislature  
State Capitol, Room 104  
Juneau, Alaska 99801-1182

Dear Representative Dyson:

We believe we understand what you are trying to do with your amendment to child support statutes and agree with the concept. We hope we have statutory language that addresses your concern about getting regular support payments to families.

Since the federal distribution issues are so complex, we cannot guarantee the proposed solution will meet federal requirements, but we know you want a way to address this issue. If this language were passed by the Legislature, we would explain to the federal government why it was needed. The reasons are good, so they might agree it is okay.


The following wording could be added to 25.27.103:

The agency may characterize a support payment physically received by the agency through wage withholding during the last five days of the month as having been received on the first day of the next calendar month if the agency determines that the payment was made in the course of regular wage withholding intended for the next calendar month.

We changed the time period to five days because that should take care of the problem in most cases and doesn't stray too far from the federal requirement that we distribute all money in two days.

I will be coming to Juneau tomorrow, and will check in with your office when I arrive.

Sincerely,



Barbara Miklos  
Director

# STATE OF ALASKA

## DEPARTMENT OF REVENUE CHILD SUPPORT ENFORCEMENT DIVISION

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February 21, 2001

The Honorable Fred Dyson  
Alaska State Legislature  
State Capitol, Room 104  
Juneau, Alaska 99801-1182

Dear Representative Dyson:

As we discussed with you and the Health Education and Social Services Committee, we have concerns about Amendment F1 proposed February 20, regarding future child support payments. It is often hard to explain child support issues, so I thought it would be best to put our concerns in writing.

1. *The procedures proposed are not consistent with federal distribution requirements.*

The federal requirements are very clear. In Title 45 of the Code of Federal Regulations, Section 302.51(a)(1) states:

For purposes of distribution in a IV-D case, amounts collected, except as provided under paragraph (a)(3) of this section, shall be treated first as payment on the required support obligation for the month in which the support was collected and if any amounts are collected which are in excess of such amount, these excess amounts shall be treated as amounts which represent payment on the required support obligation for previous months.

With respect to payments for future support, section 302.51(b) of that same title states:

If an amount collected as support represents payment on the required support obligation for future months, the amount shall be applied to such future months. However, no such amounts shall be applied to future months unless amounts have been collected which fully satisfy the support obligation assigned under section 403(a)(8) of the Act for the current month and all past months.

The Honorable Fred Dyson  
February 21, 2001  
Page 2 of 3

*2. The changes will require complex and costly programming to our computer.*

The current distribution of child support payments is very complex. We are redesigning programs right now to meet federal requirements. The new distribution programs cannot look forward to succeeding months as well as backward to prior months where arrears have already accumulated. To meet the requirements of this amendment, the program would have to look at the current month, the next month and past months. The following would have to be evaluated for each payment received.

- Has the current month's support order been satisfied?
- Will there be a support order for the following month? How much is the support order for the following month?
- Are there arrears on the case? If so to whom do they belong?
- Is this merely the amortization amount intended as arrears or was it really just an early payment of next month's ongoing obligation?

Once the system determined to whom the arrears belong, it would act. If the arrears belong to the state, it would withhold disbursement of the money until the following month and use it to pay that month's support order. If the arrears belong to the custodial parent, the computer would have to distribute the money immediately. This type of logic would be difficult to incorporate into the distribution program.

Currently, we have trouble completing our nightly batch runs prior to work hours beginning in the morning. If we do not complete the runs, we cannot use the computer to work cases. One of the contributing factors is the amount of processing required to disburse payments. Adding the above requirement would certainly increase the overnight batch processing time to the point where we would not be finished prior to work hours.

*3. The amendment does not take into account nonwage-withholding payments such as IRS, PFD and garnishing assets other than wages.*

These funds are generally designated to pay arrears. In the case of IRS, it is required.

*4. Paying future support as described in the amendment could create problems in a case if the status of the custodial parent or child changes.*

If the child emancipates in the current month, there would be no future payments. Also if the custodial parent goes on ATAP or the child goes into foster care, money owed to the state would have already been disbursed to the custodial parent.. There would be no way to accommodate these circumstances.

**The Honorable Fred Dyson**

**February 21, 2001**

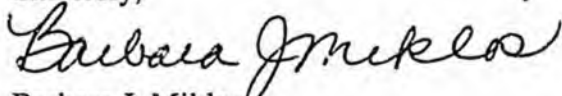
**Page 3 of 3**

5. *This scenario could work against some case parties.*

If there are no state arrears, excess money is split between cases. It would be possible, depending on the amount of ongoing and arrears to have money applied to the future of one case before satisfying the arrears of another.

We believe we understand what you are trying to do with this amendment and agree with the concept. The federal government is also trying to get more money to custodial parents. We are in the middle of programming our computer to be in compliance with new federal requirements for distribution. The new distribution requirements require us to pay arrears to custodial parent first unless the parent is on ATAP.

Sincerely,



Barbara J. Miklos  
Director

## CHILD SUPPORT ENFORCEMENT "SUNSET" SUMMARY

Legislation passed in 1997 and 1998 contained sunset provisions that will take effect in 2001. These laws support programs and activities at CSED that have resulted in a significant increase in child support payments, and improved services to families in Alaska. If the sunset is allowed to occur, these improvements will be diminished, and by being out of compliance with welfare reform laws Alaska will be in jeopardy of losing \$80,000,000 in federal public assistance and child support funding.

Below is an outline of key parts of the 1997 and 1998 legislation, as well as a description of how the sunset provisions would affect CSED's work. Each of these segments is a requirement of federal compliance.

### Availability of Records/Access to Information

The subject statutes allow CSED to obtain certain types of information electronically and through administrative action. If these provisions are repealed, CSED may be required to contact sources of information separately for each case, and take the difficult and time-consuming avenue of obtaining a court order to request basic information. The time lost would severely hamper our child support enforcement efforts.

### 'Best Efforts' Language

Adopted in 1998, this language allows a non-custodial parent who is found by a court to be making the 'best efforts possible under the circumstances to have no child support arrearages' to avoid the loss or suspension of a driver's or other license. The act adds commercial crewmember fishing licenses to existing license statute, and removes subpoena noncompliance as a reason for general license suspension. Instead, the act allows license suspension for subpoena noncompliance only in the context of a civil contempt action.

### Central Registry

*11/02 011 0112* *Central Registry*  
The law requires courts to automatically forward child support orders to CSED, and authorizes CSED to exchange this and other critical information within strict confidentiality guidelines. These procedures allow CSED to serve clients with improved timeliness and accuracy, efficiencies that will be diminished if the statutes are repealed.

### Credit Bureau Reporting

Current state law requires child support debt to be reflected on a delinquent parent's credit bureau report until it has been paid. The sunset would have the effect that unpaid child support arrears could not be reported after 10 years.

## **Definitions: Duty of support, earnings, tribunal, arrearages**

The 1997 and 1998 acts redefined a number of key terms used in child support enforcement, and this nationwide uniformity is essential to cooperative enforcement efforts between the states.

## **Due Process**

The 1997 and 1998 acts strengthened due process protections by requiring additional notices to parents of their rights and responsibilities in paternity and child support proceedings and by providing additional opportunities for parents and other persons to request and obtain administrative and judicial review of agency actions and decisions.

## **Financial Institution Data Match and Immunity from Liability**

Current statutes allow us to match the names of parents who owe arrears with the names on accounts at financial institutions. This makes it much more difficult for delinquent parents to hide their assets, simplifies the search for funds in multi-state institutions, and allows the institutions to cooperate without fear of retaliatory lawsuits. Few banks would participate in the FIDM if this protection were repealed. Searching for hidden assets would require sweeps of all banks for each and every case. For many children our ability to collect support would be seriously compromised.

## **Income Withholding**

In direct response to federal requirements from PRWORA, the 1997 and 1998 acts have simplified the way a non-custodial parent pays child support through withholding, and shortened to 7 days the time between the request for withholding and the commencement of withholding by the employer. Within 2 days of receipt of withheld funds, CSED forwards the payment to the family. In out-of-state cases, we can request income withholding directly (without going through the other state's child support agency), often saving several months' delay. If these laws are allowed to sunset, it will be harder for CSED to collect monthly payments and arrearages; these collections may take months to implement, rather than immediately; and it will be easier for delinquent parents to avoid payment of their child support obligations by moving to another job before income withholding can be established.

## **Liens**

The subject legislation simplified the statute so that CSED or a parent may assert a lien when the obligor owes an arrearage under a support order being enforced by the agency. Also, Alaska cooperates with other jurisdictions by giving full faith and credit to liens arising by operation of law in other states, *if the person seeking to enforce the lien complies with this state's procedural requirements for recording and serving liens*. The simplified statutes, and the reciprocity with regard to liens, allow us to collect lawfully established support payments and arrearages that might otherwise be unreachable.

## Miscellaneous

The subject statutes provide procedures and definitions relating to the following subjects, and bring Alaska into conformance with language in PRWORA.

- exchange information
- application for services
- payments to the agency
- audit of collections
- notice of public assistance
- order establishment
- service of papers
- regulations
- fees for services
- state registry information

## Modification

*Fed 3 yrs we must stop*

The subject statutes require that parties be given periodic notice of their right to seek review of child support orders. They allow review of orders every three years and clarify CSED's authority to modify administrative orders where out of state court orders also exist. If allowed to sunset, all parties' rights to due process will be weakened because state agencies will no longer be required to have written regulations setting out procedures and standards governing the modification process.

## New Hire Reporting

Under the current law, all employers in the state are required to report to CSED new hires and rehires. This information helps CSED locate parents, and establish and enforce child support orders. New Hire reporting is currently responsible for about 12% of total child support collections. If the acts sunset, we will revert to a previous statute that only required employers to report new hires if notified by CSED, and which created a number of classes of exempt employers. Reversion to the old statute will increase to \$1000 the civil penalties that can be levied against employers for not reporting

## Non-Cooperation

Current and previous laws require ATAP recipients to cooperate with child support proceedings. The 1997 act clarified who would make the determination of non-cooperation (CSED) and who would decide if the party had good cause for non-cooperation (DHHS). This clarification promotes cooperation in matters of paternity and child support, and protects parties who may have reasons for not cooperating, such as threats of domestic violence. These protections would be jeopardized by the sunset.

## Nondisclosure of Information

The 1997 statute allows CSED to refuse to disclose the address or other identifying information of a parent or child if the health, safety, or liberty of that person would be unreasonably put at risk by such disclosure. Under the sunset, Alaska law will revert to a requirement to make such information available regardless of the risk if the obligor is current on child support obligations and has a previous visitation or joint custody agreement.

## **Paternity**

The 1997 and 1998 acts include detailed requirements for the form, use, and legal effect of voluntary acknowledgments of paternity, and for proceedings to establish paternity. Acknowledgement forms must include a statement setting out the legal consequences, rights, responsibilities and alternatives to signing the form and listing the restrictions to rescinding the acknowledgment. The acts also addressed a variety of substantive and procedural requirements for the establishment of paternity, including genetic testing, consideration of the best interests of the child, recovery of costs of testing, and allowing a putative father to request genetic testing. Reversion to previous law will diminish due process provisions and safety considerations, and will complicate the paternity determination process.

## **Seek Work Orders**

In cases where support is owed a child who is receiving public assistance, the 1997 statute allows CSED to order an obligor to seek work, or to ask a court to order an obligor to seek work, unless the obligor enters into and complies with an approved payment plan. Without this statute, CSED would have to request a seek work order from the court in the context of a civil contempt proceeding.

## **Social Security Numbers**

The 1997 and 1998 acts required applicants for state licenses, including professional, business, occupational, driver's, recreational and marriage licenses, to include their social security numbers. These numbers help CSED locate parents and collect child support, and reduce the number of cases of mistaken identity. (Requirements for social security numbers on hunting and fishing licenses have been waived and will be allowed to sunset even if the sunset repealer is passed.)

## **Subpoenas**

The current statutes establish procedures that give CSED the authority to subpoena financial or other information needed to establish, modify, or enforce a child support order. They require that subpoenas be served in person, or by registered, certified or insured mail. They allow a claim of good cause excusing compliance, provide a direct avenue of appeal of penalty decisions to the Superior court, and specify that CSED will enforce a subpoena from another state in the same manner. Repeal will restrict CSED's ability to obtain critical information, limiting the establishment, modification and enforcement of child support orders; and will diminish parties' due process rights with regard to administrative subpoenas.

## **UIFSA**

The 1998 act revised the previous UIFSA statute to be clearer and more consistent. Without the changes, interstate cooperation in child support cases would be very difficult.

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE DYSON

TO: CSHB 41(HES), Draft Version "F"

1 Page 1, line 3, following "institutions":

2 Insert "; relating to child support payments"

3

4 Page 5, following line 4:

5 Insert a new bill section to read:

6 **"\* Sec. 12. AS 25.27.103 is amended to read:**

7 **Sec. 25.27.103. Payments to agency.** An obligor shall make child support  
8 payments to the agency if the agency is enforcing a duty of child support under  
9 AS 25 25 or this chapter. The agency shall disburse that portion of a payment that  
10 exceeds the amount of money necessary to satisfy the obligor's immediate duty of  
11 support in accordance with state and federal requirements. Unless the obligor  
12 indicates in writing that all or part of the payment should be credited toward the  
13 obligor's arrears, the agency shall credit a payment received in the last 10 days of  
14 a calendar month against the immediate duty of support that is due in the next  
15 calendar month if the immediate duty of support for the current month has been  
16 satisfied. The agency shall credit money disbursed under this section  
17 [SUBSECTION] toward satisfaction of the obligor's duty of support."  
18

19 Renumber the following bill sections accordingly.

20

21 Page 6, line 2:

22 Delete "11 and 14"

23 Insert "11, 12, and 15"

24

- 1 Page 6, line 3:
- 2       Delete "12, and 13"
- 3       Insert "13, and 14"

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF REVENUE CHILD SUPPORT ENFORCEMENT DIVISION

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January 16, 2001

The Honorable Fred Dyson  
Alaska State Legislature  
State Capitol  
Room 104  
Juneau, AK 99801-1182

Dear Representative Dyson:

I am requesting that the House Health, Education and Social Services Committee hear HB41. This bill repeals the termination date of changes made by ch. 87, SLA 1997 and ch. 132, SLA 1998 regarding child support enforcement and related programs.

The 1997 and 1998 child support legislation ensured Alaska's compliance with federal welfare reform requirements. The provisions of these Acts have been effective at increasing the amount of child support collected for Alaska's children. Moreover, federal funding for the state's child support enforcement program and the federal public assistance block grant depend on compliance with these federal requirements. The 1998 Act repealed this legislation as of July 1, 2001. It also included a nonseverability provision, which requires that if any of the provisions of that Act is found to be unconstitutional, the remaining provisions of the Act also will be considered invalid. HB41 repeals these sunset and nonseverability provisions, thus assuring that the law and court rule changes made by the 1997 and 1998 Acts will be retained.

This bill includes several provisions that have improved child support collections, including:

- Enhanced due process protections in paternity proceedings.
- Requirements that all employers report newly hired employees to the child support agency.
- Authorization to use financial institution data matches to locate assets of delinquent parents.
- Immunity from civil liability for employers and financial institutions that comply with child support income-withholding orders.
- Prohibitions against disclosing identifying information of a parent or child where there is evidence of domestic violence.
- Requirements for Social Security numbers on certain vital statistics and court records, and on applications for some state licenses. To protect an individual's privacy, the numbers are not required on the actual licenses but only on the applications.

The Honorable Fred Dyson  
January 16, 2001  
Page 2 of 2

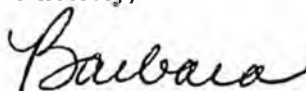
- Authorization for the child support agency to obtain orders requiring delinquent parents to seek work and orders to set aside a parent's fraudulent transfer of property if it was done to avoid a child support obligation.
- Improved access to records of other government agencies and financial institutions to locate delinquent parents and their assets.

HB41 also repeals one controversial piece of the earlier legislation. We have removed the requirement to collect Social Security numbers on applications for sport fishing and hunting licenses. We requested and received a waiver from the federal government for that requirement.

CSED has implemented and tested the changes brought about by the 1997 and 1998 Acts. The agency has found these new programs and enforcement tools to be effective in ensuring that more children receive the support to which they are entitled. Due in great part to these changes, the agency's collections have increased. In fiscal year 2000, CSED collected over \$85 million, the largest annual collection in the agency's history.

We look forward to working with you on this legislation. Please let me know what information I can provide to assist the committee.

Sincerely,



Barbara Miklos  
Director

cc: Larry Persily, Deputy Commissioner, Department of Revenue  
Shari Kochman, Deputy Legislative Director, Office of the Governor

22-GH1002F  
Lauterbach  
2/16/01

**CS FOR HOUSE BILL NO. 41(HES)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - FIRST 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 federal child support enforcement requirements regarding social  
2 security number information, employer reports about employees, and certain kinds of  
3 automated data matching with financial institutions; repealing the termination date of  
4 changes made by ch. 87, SLA 1997, and ch. 132, SLA 1998, regarding child support  
5 enforcement and related programs; repealing the nonseverability provision of ch. 132,  
6 SLA 1998; repealing uncodified laws relating to ch. 87, SLA 1997, and ch. 132, SLA  
7 1998; and providing for an effective date."

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

9 \* Section 1. AS 06.40.050(a) is amended to read:

10 (a) Application for a license under this chapter shall be in writing and in the  
11 form prescribed by the department. [IF THE APPLICANT IS A NATURAL  
12 PERSON, THE APPLICATION FORM MUST REQUIRE SUBMISSION OF THE  
13 APPLICANT'S SOCIAL SECURITY NUMBER.]

1 \* **Sec. 2.** AS 08.01.089 is amended to read:

2           **Sec. 08.01.089. Copies of records for child support purposes.** If a copy of a  
3 public record concerning an individual who owes or is owed child support that is  
4 prepared or maintained by the department is requested by the child support  
5 enforcement agency created in AS 25.27.010 or a child support enforcement agency of  
6 another state, the department shall provide the requesting agency with a certified copy  
7 of the public record [, INCLUDING THE INDIVIDUAL'S SOCIAL SECURITY  
8 NUMBER]. If these records are prepared or maintained by the department in an  
9 electronic data base, the records may be supplied by providing the requesting agency  
10 with a copy of the electronic record and a statement certifying its contents. A  
11 requesting agency receiving information under this section may use it only for child  
12 support purposes authorized under law.

13 \* **Sec. 3.** AS 08.08.137 is amended to read:

14           **Sec. 08.08.137. Fingerprints [; SOCIAL SECURITY NUMBER].** The  
15 Board of Governors shall require an applicant for admission to be fingerprinted [AND  
16 TO PROVIDE THE APPLICANT'S SOCIAL SECURITY NUMBER]. The  
17 fingerprints shall be used to determine whether the applicant has a record of criminal  
18 convictions in this state or another jurisdiction. The Board of Governors may use the  
19 information obtained from the fingerprinting only in its official determination of the  
20 character and fitness of the applicant for admission to the Alaska Bar Association.  
21 [THE APPLICANT'S SOCIAL SECURITY NUMBER SHALL BE PROVIDED TO  
22 THE CHILD SUPPORT ENFORCEMENT AGENCY ESTABLISHED IN  
23 AS 25.27.010, OR THE CHILD SUPPORT ENFORCEMENT AGENCY OF  
24 ANOTHER STATE, UPON REQUEST BY THE RESPECTIVE AGENCY; THE  
25 REQUESTING AGENCY MAY USE THAT INFORMATION ONLY FOR CHILD  
26 SUPPORT PURPOSES AUTHORIZED UNDER LAW.]

27 \* **Sec. 4.** AS 09.55.050 is amended to read:

28           **Sec. 09.55.050. Effect of presumptive death certificate.** After the judge or  
29 magistrate has entered an order declaring that the person is presumed to be dead either  
30 under AS 09.55.020 - 09.55.060 or under the laws dealing with missing persons, the  
31 judge or magistrate shall make out and sign a certificate entitled "Presumptive Death

1 Certificate" in the form and manner and containing the information required by the  
2 Bureau of Vital Statistics. [IN ADDITION TO THE INFORMATION REQUIRED  
3 BY THE BUREAU OF VITAL STATISTICS, THE CERTIFICATE MUST  
4 CONTAIN THE DECEDENT'S SOCIAL SECURITY NUMBER, IF  
5 ASCERTAINABLE.] The certificate shall be recorded by the judge or magistrate and  
6 then filed with the Bureau of Vital Statistics. Upon the entry of the order and the  
7 recording and filing of the "Presumptive Death Certificate" as herein provided, the  
8 missing person is presumed to be dead, and the person's estate may be administered in  
9 accordance with the then existing provisions of law applicable to the administration of  
10 the estates of deceased persons.

11 \* Sec. 5. AS 16.05.450(a) is amended to read:

12 (a) The commissioner or an authorized agent shall issue a crewmember fishing  
13 license under AS 16.05.480 to each qualified person who files a written application at  
14 a place in the state designated by the commissioner, containing the reasonable  
15 information required by the commissioner together with the required fee. [THE  
16 COMMISSIONER SHALL REQUIRE THE REPORTING OF THE APPLICANT'S  
17 SOCIAL SECURITY NUMBER ON THE APPLICATION.] The application shall be  
18 simple in form and shall be executed by the applicant under the penalty of unsworn  
19 falsification.

20 \* Sec. 6. AS 16.05.480(b) is amended to read:

21 (b) A person applying for a resident commercial license under this section  
22 shall provide [THE PERSON'S SOCIAL SECURITY NUMBER AND] the proof of  
23 residence that the department requires by regulation.

24 \* Sec. 7. AS 18.50.280(a) is amended to read:

25 (a) For each dissolution, divorce, and annulment of marriage granted by a  
26 court in the state, the clerk of the court shall prepare and file a certificate of  
27 dissolution, divorce, or annulment with the bureau, on forms prescribed and furnished  
28 by the bureau. [THE FORMS MUST REQUIRE THE REPORTING OF THE  
29 SOCIAL SECURITY NUMBERS OF THE PETITIONER OR PLAINTIFF AND, IF  
30 ASCERTAINABLE, THE OTHER PARTY TO THE DISSOLUTION, DIVORCE,  
31 OR ANNULMENT OF MARRIAGE.] The petitioner or plaintiff shall furnish the

1 court with the information necessary to complete the certificate, and the furnishing of  
2 this information is prerequisite to the issuance of a decree.

3 \* Sec. 8. AS 18.60.395(a) is amended to read:

4 (a) The Department of Labor and Workforce Development shall adopt  
5 regulations for the licensing of boiler operators. The regulations must conform to the  
6 generally accepted nationwide standards and practices established for boiler operators.  
7 [IN ADDITION TO ANY REQUIREMENTS ADOPTED BY REGULATION  
8 UNDER THIS SUBSECTION, A PERSON APPLYING FOR A LICENSE SHALL  
9 PROVIDE TO THE DEPARTMENT, ON THE APPLICATION, THE PERSON'S  
10 SOCIAL SECURITY NUMBER.]

11 \* Sec. 9. AS 18.65.410(a) is amended to read:

12 (a) Application for a license as a security guard must be made on forms  
13 provided by the commissioner. The application must require the furnishing of  
14 information reasonably required by the commissioner to carry out the provisions of  
15 AS 18.65.400 - 18.65.490, including classifiable fingerprints to enable the search of  
16 criminal indices for evidence of a prior criminal record [, AND MUST REQUIRE  
17 THE FURNISHING OF THE APPLICANT'S SOCIAL SECURITY NUMBER IF  
18 THE APPLICANT IS A NATURAL PERSON]. The application must be  
19 accompanied by a nonrefundable application fee of \$50 for a security guard and \$200  
20 for a security guard agency.

21 \* Sec. 10. AS 18.72.030(a) is amended to read:

22 (a) A person who desires to sell fireworks at wholesale in the state shall first  
23 make verified application for a license to the state fire marshal on forms provided by  
24 the state fire marshal. [THE FORMS MUST REQUIRE THE APPLICANT TO  
25 SUPPLY THE APPLICANT'S SOCIAL SECURITY NUMBER IF THE  
26 APPLICANT IS A NATURAL PERSON.] The application shall be accompanied by  
27 an annual license fee of \$50.

28 \* Sec. 11. AS 25.27.075(a) is amended to read:

29 (a) An employer doing business in the state shall report to the agency the  
30 hiring, rehiring, or return to work of each employee. The report shall be made within  
31 the time limits set out in (b) of this section. The report must contain the name,

1 address, and social security number of the newly hired employee, the name and  
2 address of the employer, and the identifying number assigned to the employer by the  
3 United States Department of the Treasury, Internal Revenue Service. Violation of  
4 this subsection does not give rise to a private cause of action.

5 \* Sec. 12. AS 28.15.061(b) is amended to read:

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

7 (1) contain the applicant's full name, [SOCIAL SECURITY  
8 NUMBER,] date and place of birth, sex, and mailing and residence addresses;

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

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

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

17 \* Sec. 13. AS 06.20.020(b); AS 06.40.050(e); AS 08.01.060(b), 08.01.100(e);  
18 AS 14.20.027; AS 16.05.450(d), 16.05.480(d); AS 18.50.230(f), 18.50.280(c);  
19 AS 18.60.395(d); AS 18.65.410(b); AS 18.72.030(b)(2); AS 21.06.255; AS 25.05.091(b);  
20 AS 25.20.050(n); AS 25.24.160(d), 25.24.210(f), 25.24.230(i); AS 25.27.020(a)(2)(D); and  
21 AS 28.15.061(g) are repealed.

22 \* Sec. 14. The following are repealed:

23 (1) Section 148(c), ch. 87, SLA 1997, as amended by sec. 53, ch. 132, SLA  
24 1998;

25 (2) Sections 2, 14, and 16, ch. 37, SLA 1998;

26 (3) Section 53, ch. 132, SLA 1998;

27 (4) Section 54(b), ch. 132, SLA 1998, as amended by sec. 101, ch. 21, SLA  
28 2000;

29 (5) Section 54(c), ch. 132, SLA 1998;

30 (6) Section 56, ch. 132, SLA 1998;

31 (7) Section 92, ch. 58, SLA 1999; and

1  
2  
3

(8) Section 103, ch. 21, SLA 2000.

\* Sec. 15. Sections 11 and 14 of this Act take effect immediately under AS 01.10.070(c).

\* Sec. 16. Sections 1 - 10, 12, and 13 of this Act take effect July 1, 2003.



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January 8, 2001

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

Dear Speaker Porter:

Alaska's Child Support Enforcement Division collected and distributed a record \$85 million in Fiscal Year 2000 and is headed toward a new record this year. This bill I transmit today guarantees the state can retain the tools that enabled this success in helping thousands of children receive the financial support they need. It also keeps Alaska in compliance with federal welfare reform laws and eligible for nearly \$80 million in annual federal funding to operate Alaska's family assistance and child support programs.

This bill continues the state program begun in 1997 and 1998 as part of Alaska's compliance with federal welfare reform which has reduced dependence on government-funded public assistance programs by increasing child support collections. The Alaska legislature chose to sunset those compliance measures on July 1, 2001

This bill is important to the lives of the children and parents who make up the nearly 48,000 child support cases in Alaska. It will keep in place those successful provisions of the 1997 and 1998 legislation which have improved child support collections, including:

- Enhanced due process protections in paternity proceedings.
- Requirements that all employers report newly hired employees to the child support agency.
- Authorization to use financial institution data matches to locate assets of delinquent parents.
- Immunity from civil liability for employers and financial institutions that comply with child support income-withholding orders.

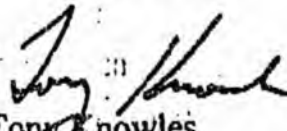
The Honorable Brian Porter  
January 8, 2001  
Page 2

- Prohibitions against disclosing identifying information of a parent or child when there is evidence of domestic violence.
- Requirements for Social Security numbers on certain vital statistics and court records, and on applications for some state licenses. To protect an individual's privacy, the numbers are not required on the actual licenses but only on the applications.
- Authorization for the child support agency to obtain orders requiring delinquent parents to seek work and orders to set aside a parent's fraudulent transfer of property if it was done to avoid a child support obligation.
- Improved access to records of other government agencies and financial institutions to locate delinquent parents and their assets.

I also want to point out that this bill repeals one controversial part of the earlier legislation. Alaska recently received a waiver from the federal requirement to collect Social Security numbers on applications for sport fishing and hunting licenses, allowing us to remove that requirement from law.

In the years since passage of the 1997 and 1998 legislation, the state has found the provisions of those bills effective at ensuring children receive the support they need from both parents. Failure to adopt this bill would jeopardize several years of progress in helping Alaska's families.

Sincerely,

  
Tony Knowles  
Governor

# **House Bill 41**

## **Sectional Analysis**

### **Section 1: Findings, Purpose and Intent:**

- Recognizes the value of the work of CSED to Alaska's children, and the importance of the statutory changes of 1997 and 1998 to that work
- Acknowledges that the 1997 and 1998 statutes brought Alaska into compliance with federal law, which is a condition of receiving federal participation in child support enforcement and public assistance
- Identifies a nonseverability provision of the 1998 Act which, if triggered, would put the state in jeopardy of losing this funding
- Confirms that these statutes will be automatically repealed by sunset clause on July 1, 2001, unless the sunset clauses are repealed, also jeopardizing the funding
- Points out that the Child Support Enforcement Division has applied for and received a waiver for federal requirements that hunting and sport fishing licenses applications contain the social security number of the applicant
- States the intent to repeal the sunset and nonseverability provisions as well as the requirements for social security numbers on hunting and sport fishing license applications

### **Section 2: Repeals the sunset and nonseverability provisions**

### **Section 3: Repeals the Social Security Number requirements on hunting and sport fishing license applications**

### **Section 4: Effective date for sections 1 and 2**

### **Section 5: Effective date of the Act**

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE COGHILL

TO: HB 41

- 1 Page 4, line 8, following "2001;":
- 2 Delete "and"
- 3
- 4 Page 4, line 11:
- 5 Delete "."
- 6 Insert "; and
- 7 (6) ch. 96, SLA 2000, is not changed by this Act."

## Statutes Repealed by HB 41, Section 3

### Sec. 16.05.330. Licenses, tags, and subsistence permits.

(e) A natural person applying for a license or tag for hunting or sport fishing shall provide the person's social security number on the license application. Upon request, the department shall provide the social security number to the child support enforcement agency created in AS 25.27.010, or the child support agency of another state, for child support purposes authorized by law. (§ 1 art II ch 94 SLA 1959; am § 1 ch 61 SLA 1962; am § 1 ch 42 SLA 1968; am § 1 ch 140 SLA 1968; am § 8 ch 52 SLA 1986; am § 16 ch 30 SLA 1992; am § 7 ch 106 SLA 1992; am § 6 ch 132 SLA 1998)

**Delayed repeal of subsection (e).** — Under § 54(b), ch. 132, SLA 1998, subsection (e) is repealed July 1, 2001.

**Cross references.** — For purpose, findings, and nonseverability provisions related to the 1998 enact-

1993, added subsection (d).

The 1998 amendment, effective June 26, 1998, added subsection (e).

**Opinions of attorney general.** — Alaska's fish and game laws are applicable as federal law on military reservations. 1964 Op. Att'y Gen. No. 2.

Hunting or fishing at a military reservation must be in accord with Alaska laws regulating seasons, bag limits, methods of taking, etc., but military personnel are not required to comply with licensing requirements while on reservation. 1964 Op. Att'y Gen. No. 2.

ment of subsection (e), see §§ 1 and 56, ch. 132, SLA 1998 in the 1998 Temporary and Special Acts.

**Effect of amendments.** — The first 1992 amendment, effective May 16, 1992, rewrote subsection (a). The second 1992 amendment, effective January 1,

Since AS 16.05.940(14) does not grant special resident privileges to military personnel, which is a requisite for requiring them to purchase licenses for use on military reservations under 10 U.S.C. 2671(a) (2), they cannot be required to do so. 1964 Op. Att'y Gen. No. 2.

Construing this section and AS 16.05.340 against federal law (10 U.S.C. § 2671(a)), a member of the military who does not qualify as a resident under AS 16.05.940(20) is not required to obtain an Alaska trapping license to trap on military lands. 1977 Op. Att'y Gen. No. 21.

### Sec. 16.05.346. Permit applications. (a)

(d) A person applying for a permit under this section shall provide the person's social security number on the permit application. Upon request, the department shall provide the social security number to the child support enforcement agency created in AS 25.27.010, or the child support agency of another state, for child support purposes authorized by law. (§ 3 ch 57 SLA 1980; am § 1 ch 118 SLA 1984; am § 1 ch 5 SLA 1992; am § 7 ch 132 SLA 1998)

**Delayed repeal of subsection (d).** — Under § 54(b), ch. 132, SLA 1998, subsection (d) is repealed July 1, 2001.

**Revisor's notes.** — Enacted as AS 16.05.345. Renumbered in 1980.

**Cross references.** — For purpose, findings, and nonseverability provisions related to the 1998 enactment of subsection (d), see §§ 1 and 56, ch. 132, SLA 1998 in the 1998 Temporary and Special Acts.

**Effect of amendments.** — The 1992 amendment,

effective April 3, 1992, deleted "in the Delta Junction bison range area" following "hunting of bison" in subsection (b).

The 1998 amendment, effective June 26, 1998, added subsection (d).

**Editor's notes.** — Section 2, ch. 118, SLA 1984, which repealed and reenacted this section effective August 1, 1989, was repealed by § 2, ch. 149, SLA 1988.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 41  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: CSED Sunset and Update BRU: Child Support Enforcement  
 Component: Child Support Enforcement  
 Sponsor: Rules Committee  
 Requester: Governor Component Number: 111

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

There would be no fiscal impact from this legislation. However, failure to adopt this legislation would move the state out of compliance with federal law for child support enforcement programs and would expose the state to the penalty of losing almost \$80 million a year in federal funding for Alaska's child support enforcement program and Alaska's Temporary Assistance Program (ATAP).

Prepared by: Barbara Miklos, Director Phone 269-6800  
 Division: Child Support Enforcement Division Date/Time Dec. 8, 2000  
 Approved by: Larry Persily, Deputy Commissioner Date Dec. 8, 2000  
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

**CSED WELFARE REFORM LEGISLATION "SUNSET" SUMMARY**

**Repealer 2001**

NARRATIVE	STATE LAWS	FEDERAL LAWS	AMENDING SECTIONS
<p><b>Availability of Records/Access to Information</b>                      * must be able to obtain access, without order from another tribunal, to:                      - gov't records, including vital statistics, state tax, property, occ. licensing, business entity, employment security, public assistance, DMV, corrections                      - customer records of public utilities &amp; cable television per subpoena                      - financial institution information                      * to subpoena any financial information, and impose penalties for failure to respond                      * employer information upon request</p>	<p>AS 06.05.537                      AS 08.01.089                      AS 09.25.100                      AS 16.05.815                      AS 18.50.310                      AS 18.50.320                      AS 22.35.020                      AS 23.20.110                      AS 25.24.920                      AS 25.27.020(e)                      AS 25.27.085                      AS 25.27.086                      AS 25.27.250(e)                      AS 25.27.300                      AS 28.05.061                      AS 29.45.103                      AS 33.30.216                      AS 39.25.080                      AS 40.17.010                      AS 43.23.055                      AS 47.05.020                      AS 47.05.030</p>	<p>42 U.S.C. § 666(c)(1)                      PRWORA § 325</p>	<p><b>1997 Act:</b> Secs. 2, 7, 10, 11, 19, 26, 33, 34, 47, 77, 83-85, 140 – 146  <b>1998 Act:</b> Secs. 10, 11, 26, 48</p>
<p><b>Central Registry</b>                      * requires the state to have a central case registry and an automated system for extracting and exchanging information with federal case registry, federal parent locator service, ATAP programs, and agencies of other states</p>	<p>AS 25.24.920                      AS 25.27.020(a)(13)</p>	<p>42 U.S.C. § 654A(e) &amp; (f)                      PRWORA § 311</p>	<p><b>1997 Act:</b> Secs. 47, 76</p>
<p><b>Credit Bureau Reporting</b>                      * must have procedures requiring CSED to report periodically to credit bureaus the names of non-custodial parents who owe arrears</p>	<p>AS 25.27.273</p>	<p>42 U.S.C. § 666(a)(7)                      PRWORA § 367</p>	<p><b>1997 Act:</b> Sec. 133</p>

<p><b>Definitions</b>  * duty of support; earnings; support order; business day; employer; tribunal; arrearage</p>	<p>AS 25.27.900</p>	<p>42 U.S.C. § 653(p) and throughout  PRWORA § 366 and throughout</p>	<p><b>1997 Act:</b> Secs. 136 – 139  <b>1998 Act:</b> Secs. 49 – 50</p>
<p><b>Financial Institution Data Match</b>  * must be able to enter into agreements with financial institutions to do automated data exchanges and to attach assets located through that data match</p>	<p>AS 25.27.020(a)(2)(D)  AS 25.27.250  AS 09.65.250</p>	<p>42 U.S.C. § 666(a)(17)  PRWORA § 372</p>	<p><b>1997 Act:</b> Secs. 13, 74</p>
<p><b>Fraudulent Transfers</b>  * must have the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or a law specifying indicia of fraud creating prima facie case re transfer of property to avoid payment of support AND procedures by which state can seek to avoid transfer or obtain settlement in best interests of the child support creditor</p>	<p>AS 25.27.279  AS 09.25.060  AS 34.40  15 AAC 125.415</p>	<p>42 U.S.C. § 666(g)  PRWORA § 364</p>	<p><b>1997 Act:</b> Sec. 135</p>
<p><b>High Volume Automated Enforcement</b>  * have automated procedures to take actions upon request from another state</p>	<p>AS 25.27.022  AS 25.27.900</p>	<p>42 U.S.C. § 666(a)(14)  PRWORA § 323 (with technical amendment)</p>	<p><b>1998 Act:</b> Sec. 21, 22, 50</p>
<p><b>Immunity from Liability</b>  * financial institutions are not liable for disclosure of info to agency  * employers are not liable for disclosure of info to agency or for good faith compliance with a withholding order</p>	<p>AS 09.65.250  AS 25.25.504  AS 25.25.250(h)</p>	<p>42 U.S.C. § 669A  42 U.S.C. § 666(b)(6)(A)  42 U.S.C. § 666(a)(17)  PRWORA §§ 314, 353, 372</p>	<p><b>1997 Act:</b> Secs. 13, 62</p>
<p><b>Income Withholding</b>  * revises existing withholding laws to incorporate various fed requirements, including 7 day employer deadline and no prior notice to obligor. Also, cleans up statutes relating to when and how CSED initiates income withholding when no immediate income withholding in order and when CSED may issue an order to withhold and deliver</p>	<p>AS 25.27.022(d)  AS 25.27.062  AS 25.27.150  AS 25.27.250</p>	<p>42 U.S.C. § 666(b)  42 U.S.C. § 666(c)(1)(F) &amp; (G)  PRWORA § 314, 325</p>	<p><b>1997 Act:</b> Secs. 80 – 82, 90 – 93, 128 – 130, 148(a)  <b>1998 Act:</b> Secs. 22, 23, 47</p>

<p><b>License Suspension</b>  * "Best efforts" language added for occupational and drivers' licenses  * recreational licenses</p>	AS 25.27.244 AS 25.27.246 AS 09.50.020 AS 11.51.120 AS 12.55.139	42 U.S.C. 666(a)(16) PRWORA § 369	<b>1997 Act:</b> Secs. 106 – 127 <b>1998 Act:</b> Secs. 3 – 5 and 34 – 46
<p><b>Liens</b>  * liens must arise by operation of law against non-custodial parent in arrears AND must give full faith &amp; credit for liens arising in other states as long as other states meet Alaska's requirements</p>	AS 25.27.230 AS 25.27.240	42 U.S.C. § 666(a)(4) PRWORA § 368	<b>1997 Act:</b> Secs. 104, 105 <b>1998 Act:</b> Sec. 31 – 33
<p><b>Medical Support Orders</b>  * eliminates the requirement that the employer do business in Alaska before CSED sends a copy of medical support order to employer  * requires the agency to send notice of medical support to new employer when obligor changes jobs</p>	AS 25.27.063(b) AS 25.27.020(a)(9) AS 25.27.060 AS 21.36.095 Civil Rule 90.3(d)	42 U.S.C. § 666(a)(19) PRWORA § 382	<b>1998 Act:</b> Sec. 24
<p><b>Miscellaneous</b>  * statute of limitations  * interest rates  * application for services  * payments to the agency  * audit of collections  * certification of arrears  * notice of public assistance  * order establishment  * service of papers</p>	AS 09.10.040 AS 25.27.020(a)(6) AS 25.27.025 AS 25.27.100(a) AS 25.27.103 AS 25.27.105 AS 25.27.120(c) AS 25.27.160(b) AS 25.27.265	42 U.S.C. § 666(a)(2) 42 U.S.C. § 654A 42 U.S.C. § 654(4), (5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 654B(a)(1) PRWORA § 301 PRWORA § 311, 312 PRWORA § 325	<b>1997 Act:</b> Secs. 74 – 76, 78, 86 – 89, 94, 131 – 132 <b>1998 Act:</b> Secs. 2, 27
<p><b>Modification</b>  * notice every 3 years of request for review; 3-year cycle for review upon request of parent or state agency, either per guidelines or based on COL or automated methods, without a material change in circumstances</p>	AS 25.24.170(b) AS 25.27.190 AS 25.27.193	42 U.S.C. § 666(a)(10) PRWORA § 351	<b>1997 Act:</b> Secs. 44, 101 – 103
<p><b>New Hire Reporting</b>  * must require employers to report hiring, rehiring, of each</p>	AS 25.27.075	42 U.S.C. § 653A PRWORA § 313	<b>1998 Act:</b> Sec. 25

employee			
<b>Non-Cooperation</b> * good faith determinations when custodial parent fails to cooperate with CSED	AS 47.27.040(b)	42 U.S.C. § 654(29) PRWORA § 333	1997 Act: Sec. 147
<b>Nondisclosure of Information</b> * nondisclosure of information when there is a finding of domestic violence	AS 25.27.275	42 U.S.C. § 654(26) PRWORA § 303	1997 Act: Sec. 134
<b>Paternity</b> * state must have laws governing paternity establishment and voluntary acknowledgment of paternity which comply with detailed federal requirements. Please see summary for specifics.	AS 18.50.160 AS 18.50.165 AS 25.20.050 AS 25.20.055 AS 25.27.040(a) AS 25.27.165 AS 25.27.166 AS 25.27.167	42 U.S.C. § 666(a)(5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 652(a)(7) PRWORA § 325, 331	1997 Act: Secs. 20 – 22, 36 – 42, 79, 95 – 100 1998 Act: Secs. 12, 28 – 30
<b>Seek Work Orders</b> * agency must be able to obtain order requiring obligor to seek work	AS 25.27.020(d)	42 U.S.C. § 666(a)(15) PRWORA § 365	1997 Act: Sec. 77
<b>Social Security Numbers</b> * must require SSN's on license applications (professional, driver's, occupational, recreational, marriage), case files re divorce, support or paternity, death certificates	AS 06.20.020 AS 06.40.050 AS 08.01.060 AS 08.01.100 AS 08.08.137 AS 09.55.050 AS 14.20.027 AS 16.05.330 AS 16.05.346 AS 16.06.360 AS 16.05.450 AS 16.05.480 AS 18.50.230 AS 18.60.395 AS 18.65.410 AS 18.72.030 AS 21.06.255 AS 25.05.091	42 U.S.C. § 666(a)(13) PRWORA § 317	1997 Act: Secs. 3 – 6, 8, 9, 12, 14 – 18, 23 – 25, 27 – 32, 35, 41, 43, 45, 46 1998 Act: Secs. 6 – 9, 12, 14 – 17, 51 – 52

	AS 18.50.165 AS 18.50.280 AS 25.20.050(n) AS 25.24.160 AS 25.24.210 AS 25.24.230 AS 28.15.061		
<b>Subpoenas</b> * must be able to subpoena any financial or other information without approval of separate body, impose penalties for noncompliance, and enforce other states' subpoenas	AS 25.27.085 AS 25.27.086	42 U.S.C. § 666(a)(2) 42 U.S.C. § 666(c)(1) PRWORA § 325	<b>1997 Act: Secs. 83 – 85</b> <b>1998 Act: Sec. 26</b>
<b>Tax Dependents</b> * court may not unconditionally grant noncustodial parent right to claim child as tax dependent unless parent meets federal requirements and does not owe more than four times the monthly support obligation at end of tax year.	AS 25.24.152 AS 25.24.232	None	<b>1998 Act: Secs. 13, 18</b>
<b>UIFSA</b> * state must adopt verbatim the revised version of UIFSA	AS 25.25.101 – 25.25.903	42 U.S.C. § 666(f) PRWORA § 321	<b>1997 Act: Secs. 48 – 73</b> <b>1998 Act: Secs. 19 – 20</b>

## REPRESENTATIVE JOHN COGHILL

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### Sectional Analysis of SB 19

**Section 1.** Removes Social Security Number requirement from applications for licenses for businesses entering into premium finance agreements or insurance sold under the Premium Financing Act.

**Section 2.** Removes social security numbers from the Child Support Enforcement reporting requirements for Centralized Licensing.

**Section 3.** Removes requirement that the Alaska Bar Association report an applicant's social security number to Child Support Enforcement.

**Section 4.** Removes social security number requirement on presumptive death certificates.

**Section 5.** Removes social security number requirement on applications for crewmember fishing licenses.

**Section 6.** Removes social security number requirement on applications for commercial fishing licenses.

**Section 7.** Removes social security number requirement from dissolution, divorce, or annulment of marriage forms.

**Section 8.** Removes social security number requirement from an application for licensing of boiler operators.

**Section 9.** Removes social security number requirement from an application for licensing of security guards.

**Section 10.** Removes social security number requirement from an application for licenses to sell fireworks at wholesales.

**Section 11.** Ensures that an employer who unintentionally fails to report a newly hired employee to child support enforcement agencies may not be held liable for their failure to do so in a private civil case.

**Section 12.** Amends the requirement for an application for driver's license or instruction permit to exclude the requirement to place a person's social security number on the application.

**Section 13.** Repeals:

AS 14.20.027 Social security requirement of application for license for persons making loans of money, credit, goods, or things under the Alaska Small Loans Act.

AS 06.40.050(e) Reporting requirement of social security number to CSED from licensing application under Premium Financing Act.

AS 08.01.060(b) Social security number requirement for Centralized Licensing.

AS 08.01.100(e) Social security number requirement for renewal of Centralized Licensing license.

AS 14.20.027 Social security number requirement for application for a teaching certificate or a limited teacher certificate.

AS 16.05.450(d) Reporting requirement of social security number to CSED from licensing of crewmember fishing licenses.

AS 16.05.480(d) Reporting requirement of social security number to CSED from licensing of commercial fishing licenses.

AS 18.50.230(f) Social security requirement for death registration.

AS 18.50.280(c) Reporting requirement of social security number to CSED for court reports of dissolution, divorce, or annulment of marriage.

AS 18.60.395(d) Reporting requirements of social security number to CSED from licensing of boiler operators.

AS 18.65.410(b) Reporting requirements of social security number to CSED from licensing of security guards.

AS 18.72.030(b)(2) Reporting requirements of social security number to CSED from licensing of fireworks wholesalers.

AS 21.06.255 Social security requirement for application for Division of Insurance licenses.

AS 25.05.091(b) Social security requirement for application for marriage license and reporting requirements of social security numbers to CSED.

AS 25.20.050(n) Social security requirement for application for paternity order or acknowledgements.

AS 25.24.160(d) Social security requirement in the records of a judgement of divorce or declaring a marriage void for each party involved.

AS 25.24.210(f) Social security requirement for petitions filed for dissolution of marriages for each party involved.

AS 25.24.230(i) Social security requirement in the records of a judgement of dissolution of marriage for each party involved.

AS 25.27.020(a)(2)(D) Financial data matching requirements.

AS 28.15.061(g) Reporting requirement of social security numbers to CSED from drivers license applications.

**Section 14. Repeals:**

- (1) Repeal date of 1997 CSED legislation (SB 154) as amended by HB 344 in 1998.
- (2) Repeals a confidentiality clause with exempted from confidentiality information Department of Revenue might have on tax returns and reports which would be provided to Department of Fish & Game and to DEC. It also repeals the sunset dates in Sections 14 and 16.
- (3) Repeals sunset dates set of SB 154 as amended in Section 53 of HB 344.
- (4) Secs 3 - 9: Repeals sunset date for sections of HB 344 that provides that a drivers license or recreational licenses can be restricted or revoked for not paying child support or failing to comply with a support order and provides for non-criminal penalties for such actions;

Secs. 21: Repeals sunset date for a provision in HB 344 that required any requests for information from csed except for another child support agencies must be in writing;

Secs. 22: Repeals sunset date for a provision in HB 344 allowing for child support enforcement agencies requesting, receiving and transmitting information between agencies electronically;

Secs. 23: Repeals sunset date for a provision in HB 344 that broadens notice requirements from employer to any person receiving a withholding order;

Secs. 24: Repeals sunset date for a provision in HB 344 that requires CSED to send a copy of the medical support order to a new employer that may have health insurance available;

Secs. 25: Repeals sunset date for a provision in HB 344 that requires employers to submit a report of hiring to CSED for new employers and provides penalties for failure to comply;

Secs. 26: Repeals sunset date for a provision in HB 344 that if an order is ordered by a court CSED can apply to the court for an order to compel obedience;

Secs. 30: Repeals sunset date for a provision in HB 344 that provides for a contempt of order action for genetic testing;

Secs. 31: Repeals sunset date for a provision in HB 344 that the agency can issue and assert a lien on real or personal property.

Secs. 32: Repeals sunset date for a provision in HB 344 that a lien ordered in another state shall have full faith and credit in this state;

Secs. 33: Repeals sunset date for a provision in HB 344 that allows any party seeking to enforce a support obligation to assert a lien and collection on a bank account for collection;

Secs. 47: Repeals sunset date for a provision in HB 344 that allows CSED to issue a withholding order without prior notice to the obligor.

Secs. 51: Repeals sunset date for a provision in HB 344 that required a social security number on an application for a driver's license.

Secs. 52: Repeals sunset date for a provision in HB 344 that requires DMV to provide a information on a ADL application to CSED.

- (5) Repeals intent language for revisors to do revisions consistent with the direction of Section 53 of HB 344.
- (6) Repeals the Nonseverability provision of HB 344.
- (7) Provides that a provision in CH 58 SLA 1999 that included licenses for child care facilities in occupational licenses that are reported to CSED will remain in effect July 1, 2001.
- (8) Provides that a provision in ch. 21, SLA 2000 which increased the response time for an alleged father in a paternity determination proceeding from twenty to thirty days will stay in effect July 1, 2001.

**Section 15:** Establishes an effective date of immediately for the sunset repealers and Section 11 which ensures that an employer who unintentionally fails to report a newly hired employee to child support enforcement agencies may not be held liable for their failure to do so in a private civil case.

**Section 16:** Sets as an effective date for the rest of the bill July 1, 2006.

- (8) Provides that a provision in ch. 21, SLA 2000 which increased the response time for an alleged father in a paternity determination proceeding from twenty to thirty days will stay in effect July 1, 2001.

**Section 15:** Establishes an effective date of immediately for the sunset repealers and Section 11 which ensures that an employer who unintentionally fails to report a newly hired employee to child support enforcement agencies may not be held liable for their failure to do so in a private civil case.

**Section 16:** Sets as an effective date for the rest of the bill July 1, 2006.

To

Company

Location

Fax #

From

Company

Location

Dept Charge

**45 CFR Ch. III (10-1-99 Edition)**

sions for the investigation and detection of fraud directly related to identity and child and spousal support and provisions to reimburse law enforcement officials for their assistance.

R 30223, July 10, 1989, as amended at 61 FR 7240, Dec. 20, 1996; 64 FR 6248, Feb. 9, 1999

**35 State parent locator service.**

The State plan shall provide as follows:

(1) The IV-D agency shall establish a State PLS using:

All relevant sources of information and records available in the State, in other States as appropriate; and  
The Federal PLS of the Department of Health and Human Services.

(2) The IV-D agency shall establish a central State PLS office and may designate additional IV-D offices in the State to submit requests to Federal PLS.

To designate more than two additional IV-D offices within the State, IV-D agency must obtain written approval from the Office.

(3) The State PLS shall only accept requests to use the Federal PLS from:

Any State or local agency or official seeking to collect child and spousal support obligations under the State plan;

A court that has authority to issue an order or to serve as the initiating court in an action to seek an order against a noncustodial parent for the support and maintenance of a child, or any agency of such court;

The resident parent, legal guardian, attorney, or agent of a child who is receiving aid under title IV-A of the Act; and

Authorized persons as defined in § 302.15 of this chapter if an agreement is in effect under § 303.15 to use the Federal PLS in connection with parental support, visitation or child custody matters.

(4) A State agency that is administering a program operated under a State plan under subpart 1 of part B, or a State plan approved under subpart 2 of part B or under part E.

(5) The State PLS shall, subject to privacy safeguards required under section 454(26) of the Act, disclose only

**Office of Child Support Enforcement, ACF, HHS****§ 302.51**

the information described in sections 453 and 463 of the Act to the authorized persons specified in such sections for the purposes specified in such sections.

(46 FR 54556, Nov. 3, 1981, as amended at 47 FR 57281, Dec. 23, 1982; 50 FR 19648, May 9, 1985; 64 FR 6248, Feb. 9, 1999)

**§ 302.36 Provision of services in interstate IV-D cases.**

(a) The State plan shall provide that the State will extend the full range of services available under its IV-D plan to any other State in accordance with the requirements set forth in § 303.7 of this chapter.

(b) The State plan shall provide that the State will establish a central registry for interstate IV-D cases in accordance with the requirements set forth in § 303.7(a) of this chapter.

(53 FR 5256, Feb. 22, 1988, as amended at 61 FR 67240, Dec. 20, 1996)

**§ 302.37 [Reserved]****§ 302.38 Payments to the family.**

The State plan shall provide that any payment required to be made under §§ 302.32 and 302.51 of this part to a family will be made to the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children.

**§ 302.39 Standards for program operation.**

The State plan shall provide that the IV-D agency will comply with the standards for program operation and the organizational and staffing requirements prescribed by part 303 of this chapter.

(41 FR 55348, Dec. 20, 1978)

**§ 302.40 [Reserved]****§ 302.50 Assignment of rights.**

The State plan shall provide as follows:

(a) An assignment of support rights, as defined in § 301.1 of this chapter, constitutes an obligation owed to the State by the individual responsible for providing such support. Such obligation shall be established by:

(1) Order of a court of competent jurisdiction or of an administrative process; or

(2) Except for obligations assigned under 42 CFR 433.146, other legal process as established by State laws, such as a legally enforceable and binding agreement.

(b) The amount of the obligation described in paragraph (a) of this section shall be:

(1) The amount specified in the order of a court of competent jurisdiction or administrative process which covers the assigned support rights.

(2) If there is no court or administrative order, an amount determined in writing by the IV-D agency as part of the legal process referred to in paragraph (a)(2) of this section in accordance with the requirements of § 302.56; or

(c) The obligation described in paragraph (a) of this section shall be deemed for collection purposes to be collectible under all applicable State and local processes.

(d) Any amounts which represent support payments collected from an individual responsible for providing support under the State plan shall reduce, dollar for dollar, the amount of his obligation under this section.

(e) No portion of any amounts collected which represent an assigned support obligation defined under § 301.1 of this chapter may be used to satisfy a medical support obligation unless the court or administrative order designates a specific dollar amount for medical purposes.

(64 FR 6248, Feb. 9, 1999)

**§ 302.51 Distribution of support collections.**

The State plan shall provide as follows:

(a)(1) For purposes of distribution in an IV-D case, amounts collected, except as provided under paragraph (a)(3) of this section, shall be treated first as payment on the required support obligation for the month in which the support was collected and if any amounts are collected which are in excess of such amount, these excess amounts shall be treated as amounts which represent payment on the required support obligation for previous months.

## § 302.52

## 45 CFR Ch. III (10-1-99 Edition)

## Office of Child Support Enforcement

(2) In title IV-A and title IV-E foster care cases in which conversion to a monthly amount is necessary because support is ordered to be paid other than monthly, the IV-D agency may round off the converted amount to whole dollar amount for the purpose of distribution under this section and § 302.52 of this part.

(3) Amounts collected through Federal income tax refund offset must be distributed as arrearages in accordance with § 303.72(h) of this chapter, and section 457(a)(2)(iv) of the Act.

(4)(i) Effective October 1, 1998 (or October 1, 1999 if applicable) except with respect to those collections addressed under paragraph (a)(3) of this section and except as specified under paragraph (a)(4)(ii) of this section, with respect to amounts collected and distributed under title IV-D of the Act, the date of collection for distribution purposes in all IV-D cases is the date of receipt in the State disbursement unit established under section 454B of the Act.

(ii) If current support is withheld by an employer in the month when due, and received by the State in a month other than the month when due, the date of withholding may be deemed to be the date of collection.

(iii) When the date of collection pursuant to this subparagraph is deemed to be the date the wage or other income was withheld, and the employer fails to report the date of withholding, the IV-D agency must reconstruct that date by contacting the employer or comparing actual amounts collected with the pay schedule specified in the court or administrative order.

(b) If an amount collected as support represents payment on the required support obligation for future months, the amount shall be applied to such future months. However, no such amounts shall be applied to future months unless amounts have been collected which fully satisfy the support obligation assigned under section 403(a)(8) of the Act for the current month and all past months.

(c)(1) The amounts collected by the IV-D agency which represent specific dollar amounts designated in the support order for medical purposes that have been assigned to the State under

42 CFR 433.146 shall be forwarded to the Medicaid agency for distribution under 42 CFR 433.154.

(2) When a family ceases receiving assistance under the State's title XIX plan, the assignment of medical support rights under section 1912 of the Act terminates, except for the amount of any unpaid medical support obligation that has accrued under such assignment. The IV-D agency shall attempt to collect any unpaid specific dollar amounts designated in the support order for medical purposes. Under this requirement, any medical support collection made by the IV-D agency under this paragraph shall be forwarded to the Medicaid agency for distribution under 42 CFR 433.154.

[64 FR 8248, Feb. 9, 1999]

**§ 302.52 Distribution of support collected in Title IV-E foster care maintenance cases.**

Effective October 1, 1984, the State plan shall provide as follows:

(a) For purposes of distribution under this section, amounts collected in foster care maintenance cases shall be treated in accordance with the provisions of § 302.51(a) of this part.

(b) The amounts collected as support by the IV-D agency under the State plan on behalf of children for whom the State is making foster care maintenance payments under the title IV-E State plan and for whom an assignment under section 471(a)(17) of the Act is effective shall be distributed as follows:

(1) Any amount that is collected in a month which represents payment on the required support obligation for that month shall be retained by the State to reimburse itself for foster care maintenance payments. Of that amount retained by the State as reimbursement for that month's foster care maintenance payment, the State IV-D agency shall determine the Federal government's share so that the State may reimburse the Federal government to the extent of its participation in financing of the foster care maintenance payment.

(2) If the amount collected is in excess of the monthly amount of the foster care maintenance payment but not

more than the monthly support, the State must pay the the State agency responsible for placing the child's placement under section 472(a)(2) of the State agency must use the the manner it determines will be best interests of the child include:

(i) Setting aside amounts child's future needs; or

(ii) Making all or part of the available to the person responsible for meeting the child's daily needs used for the child's benefit.

(3) If the amount collected the amount required to be distributed under paragraphs (b) (1) and (2) of this section, but not the total unrecovered foster care maintenance payments provided under title IV-E or unrecovered assistance payments provided under title IV-A, the State shall not be required to reimburse itself for such payments. If past assistance payments exceed the total support obligation owed, the maximum amount the State may retain as reimbursement for such payments is the amount of such obligation. If amounts are collected for periods prior to the month in which the family receives assistance under the State's title IV-E plan or foster care maintenance payments under the State's title IV-A plan, such amounts may be retained by the State to reimburse the Federal government between such support obligations and such payments. Of the amount retained by the State, the State agency shall determine the Federal government's share of the amount that the State may reimburse the Federal government to the extent of its participation in financing of such payments and foster care maintenance payments.

(4) Any balance shall be paid to the State agency responsible for placing the child's placement and shall be used to serve the best interests of the child as specified in paragraph (b)(2) of this section.

(5) If an amount collected as support represents payment on the support obligation for future months, the amount shall be applied to such future months. However, no

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January 8, 2001

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

Dear Speaker Porter:

Alaska's Child Support Enforcement Division collected and distributed a record \$85 million in Fiscal Year 2000 and is headed toward a new record this year. This bill I transmit today guarantees the state can retain the tools that enabled this success in helping thousands of children receive the financial support they need. It also keeps Alaska in compliance with federal welfare reform laws and eligible for nearly \$80 million in annual federal funding to operate Alaska's family assistance and child support programs.

This bill continues the state program begun in 1997 and 1998 as part of Alaska's compliance with federal welfare reform which has reduced dependence on government-funded public assistance programs by increasing child support collections. The Alaska legislature chose to sunset those compliance measures on July 1, 2001

This bill is important to the lives of the children and parents who make up the nearly 48,000 child support cases in Alaska. It will keep in place those successful provisions of the 1997 and 1998 legislation which have improved child support collections, including:

- Enhanced due process protections in paternity proceedings.
- Requirements that all employers report newly hired employees to the child support agency.
- Authorization to use financial institution data matches to locate assets of delinquent parents.
- Immunity from civil liability for employers and financial institutions that comply with child support income-withholding orders.

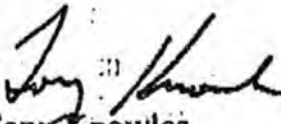
The Honorable Brian Porter  
January 8, 2001  
Page 2

- Prohibitions against disclosing identifying information of a parent or child when there is evidence of domestic violence.
- Requirements for Social Security numbers on certain vital statistics and court records, and on applications for some state licenses. To protect an individual's privacy, the numbers are not required on the actual licenses but only on the applications.
- Authorization for the child support agency to obtain orders requiring delinquent parents to seek work and orders to set aside a parent's fraudulent transfer of property if it was done to avoid a child support obligation.
- Improved access to records of other government agencies and financial institutions to locate delinquent parents and their assets.

I also want to point out that this bill repeals one controversial part of the earlier legislation. Alaska recently received a waiver from the federal requirement to collect Social Security numbers on applications for sport fishing and hunting licenses, allowing us to remove that requirement from law.

In the years since passage of the 1997 and 1998 legislation, the state has found the provisions of those bills effective at ensuring children receive the support they need from both parents. Failure to adopt this bill would jeopardize several years of progress in helping Alaska's families.

Sincerely,



Tony Knowles  
Governor

# **House Bill 41**

## **Sectional Analysis**

### **Section 1: Findings, Purpose and Intent:**

- Recognizes the value of the work of CSED to Alaska's children, and the importance of the statutory changes of 1997 and 1998 to that work
- Acknowledges that the 1997 and 1998 statutes brought Alaska into compliance with federal law, which is a condition of receiving federal participation in child support enforcement and public assistance
- Identifies a nonseverability provision of the 1998 Act which, if triggered, would put the state in jeopardy of losing this funding
- Confirms that these statutes will be automatically repealed by sunset clause on July 1, 2001, unless the sunset clauses are repealed, also jeopardizing the funding
- Points out that the Child Support Enforcement Division has applied for and received a waiver for federal requirements that hunting and sport fishing licenses applications contain the social security number of the applicant
- States the intent to repeal the sunset and nonseverability provisions as well as the requirements for social security numbers on hunting and sport fishing license applications

### **Section 2: Repeals the sunset and nonseverability provisions**

### **Section 3: Repeals the Social Security Number requirements on hunting and sport fishing license applications**

### **Section 4: Effective date for sections 1 and 2**

### **Section 5: Effective date of the Act**

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE COGHILL

TO: HB 41

1 Page 4, line 8, following "2001;":

2 Delete "and"

3

4 Page 4, line 11:

5 Delete "."

6 Insert "; and

7 (6) ch. 96, SLA 2000, is not changed by this Act."

## Statutes Repealed by HB 41, Section 3

### Sec. 16.05.330. Licenses, tags, and subsistence permits.

(e) A natural person applying for a license or tag for hunting or sport fishing shall provide the person's social security number on the license application. Upon request, the department shall provide the social security number to the child support enforcement agency created in AS 25.27.010, or the child support agency of another state, for child support purposes authorized by law. (§ 1 art II ch 94 SLA 1959; am § 1 ch 61 SLA 1962; am § 1 ch 42 SLA 1968; am § 1 ch 140 SLA 1968; am § 8 ch 52 SLA 1986; am § 16 ch 30 SLA 1992; am § 7 ch 106 SLA 1992; am § 6 ch 132 SLA 1998)

**Delayed repeal of subsection (e).** — Under § 54(b), ch. 132, SLA 1998, subsection (e) is repealed July 1, 2001.

**Cross references.** — For purpose, findings, and nonseverability provisions related to the 1998 enact-

1993, added subsection (d).

The 1998 amendment, effective June 26, 1998, added subsection (e).

**Opinions of attorney general.** — Alaska's fish and game laws are applicable as federal law on military reservations. 1964 Op. Att'y Gen. No. 2.

Hunting or fishing at a military reservation must be in accord with Alaska laws regulating seasons, bag limits, methods of taking, etc., but military personnel are not required to comply with licensing requirements while on reservation. 1964 Op. Att'y Gen. No. 2.

ment of subsection (e), see §§ 1 and 56, c.i. 132, SLA 1998 in the 1998 Temporary and Special Acts.

**Effect of amendments.** — The first 1992 amendment, effective May 16, 1992, rewrote subsection (a). The second 1992 amendment, effective January 1,

Since AS 16.05.940(14) does not grant special resident privileges to military personnel, which is a requisite for requiring them to purchase licenses for use on military reservations under 10 U.S.C. 2671(a) (2), they cannot be required to do so. 1964 Op. Att'y Gen. No. 2.

Construing this section and AS 16.05.340 against federal law (10 U.S.C. § 2671(a)), a member of the military who does not qualify as a resident under AS 16.05.940(20) is not required to obtain an Alaska trapping license to trap on military lands. 1977 Op. Att'y Gen. No. 21.

### Sec. 16.05.346. Permit applications. (a)

(d) A person applying for a permit under this section shall provide the person's social security number on the permit application. Upon request, the department shall provide the social security number to the child support enforcement agency created in AS 25.27.010, or the child support agency of another state, for child support purposes authorized by law. (§ 3 ch 57 SLA 1980; am § 1 ch 118 SLA 1984; am § 1 ch 5 SLA 1992; am § 7 ch 132 SLA 1998)

**Delayed repeal of subsection (d).** — Under § 54(b), ch. 132, SLA 1998, subsection (d) is repealed July 1, 2001.

**Revisor's notes.** — Enacted as AS 16.05.345. Renumbered in 1980.

**Cross references.** — For purpose, findings, and nonseverability provisions related to the 1998 enactment of subsection (d), see §§ 1 and 56, ch. 132, SLA 1998 in the 1998 Temporary and Special Acts.

**Effect of amendments.** — The 1992 amendment,

effective April 3, 1992, deleted "in the Delta Junction bison range area" following "hunting of bison" in subsection (b).

The 1998 amendment, effective June 26, 1998, added subsection (d).

**Editor's notes.** — Section 2, ch. 118, SLA 1984, which repealed and reenacted this section effective August 1, 1989, was repealed by § 2, ch. 149, SLA 1988.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 41  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title: CSED Sunset and Update BRU: Child Support Enforceme  
Component: Child Support Enforceme  
Sponsor: Rules Committee  
Requester: Governor Component Number: 111

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**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 (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

There would be no fiscal impact from this legislation. However, failure to adopt this legislation would move the state out of compliance with federal law for child support enforcement programs and would expose the state to the penalty of losing almost \$80 million a year in federal funding for Alaska's child support enforcement program and Alaska's Temporary Assistance Program (ATAP).

Prepared by: Barbara Miklos, Director Phone 269-6800  
Division: Child Support Enforcement Division Date/Time Dec. 8, 2000  
Approved by: Larry Persily, Deputy Commissioner Date Dec. 8, 2000  
Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

**CSED WELFARE REFORM LEGISLATION "SUNSET" SUMMARY**

**Repealer 2001**

NARRATIVE	STATE LAWS	FEDERAL LAWS	AMENDING SECTIONS
<p><b>Availability of Records/Access to Information</b>                      * must be able to obtain access, without order from another tribunal, to:                      - gov't records, including vital statistics, state tax, property, occ. licensing, business entity, employment security, public assistance, DMV, corrections                      - customer records of public utilities &amp; cable television per subpoena                      - financial institution information                      * to subpoena any financial information, and impose penalties for failure to respond                      * employer information upon request</p>	<p>AS 06.05.537                      AS 08.01.089                      AS 09.25.100                      AS 16.05.815                      AS 18.50.310                      AS 18.50.320                      AS 22.35.020                      AS 23.20.110                      AS 25.24.920                      AS 25.27.020(e)                      AS 25.27.085                      AS 25.27.086                      AS 25.27.250(e)                      AS 25.27.300                      AS 28.05.061                      AS 29.45.103                      AS 33.30.216                      AS 39.25.080                      AS 40.17.010                      AS 43.23.055                      AS 47.05.020                      AS 47.05.030</p>	<p>42 U.S.C. § 666(c)(1)                      PRWORA § 325</p>	<p><b>1997 Act:</b> Secs. 2, 7, 10, 11, 19, 26, 33, 34, 47, 77, 83-85, 140 – 146  <b>1998 Act:</b> Secs. 10, 11, 26, 48</p>
<p><b>Central Registry</b>                      * requires the state to have a central case registry and an automated system for extracting and exchanging information with federal case registry, federal parent locator service, ATAP programs, and agencies of other states</p>	<p>AS 25.24.920                      AS 25.27.020(a)(13)</p>	<p>42 U.S.C. § 654A(e) &amp; (f)                      PRWORA § 311</p>	<p><b>1997 Act:</b> Secs. 47, 76</p>
<p><b>Credit Bureau Reporting</b>                      * must have procedures requiring CSED to report periodically to credit bureaus the names of non-custodial parents who owe arrears</p>	<p>AS 25.27.273</p>	<p>42 U.S.C. § 666(a)(7)                      PRWORA § 367</p>	<p><b>1997 Act:</b> Sec. 133</p>

<p><b>Definitions</b>  * duty of support; earnings; support order; business day; employer; tribunal; arrearage</p>	<p>AS 25.27.900</p>	<p>42 U.S.C. § 653(p) and throughout  PRWORA § 366 and throughout</p>	<p><b>1997 Act:</b> Secs. 136 – 139  <b>1998 Act:</b> Secs. 49 – 50</p>
<p><b>Financial Institution Data Match</b>  * must be able to enter into agreements with financial institutions to do automated data exchanges and to attach assets located through that data match</p>	<p>AS 25.27.020(a)(2)(D)  AS 25.27.250  AS 09.65.250</p>	<p>42 U.S.C. § 666(a)(17)  PRWORA § 372</p>	<p><b>1997 Act:</b> Secs. 13, 74</p>
<p><b>Fraudulent Transfers</b>  * must have the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or a law specifying indicia of fraud creating prima facie case re transfer of property to avoid payment of support AND procedures by which state can seek to avoid transfer or obtain settlement in best interests of the child support creditor</p>	<p>AS 25.27.279  AS 09.25.060  AS 34.40  15 AAC 125.415</p>	<p>42 U.S.C. § 666(g)  PRWORA § 364</p>	<p><b>1997 Act:</b> Sec. 135</p>
<p><b>High Volume Automated Enforcement</b>  * have automated procedures to take actions upon request from another state</p>	<p>AS 25.27.022  AS 25.27.900</p>	<p>42 U.S.C. § 666(a)(14)  PRWORA § 323 (with technical amendment)</p>	<p><b>1998 Act:</b> Sec. 21, 22, 50</p>
<p><b>Immunity from Liability</b>  * financial institutions are not liable for disclosure of info to agency  * employers are not liable for disclosure of info to agency or for good faith compliance with a withholding order</p>	<p>AS 09.65.250  AS 25.25.504  AS 25.25.250(h)</p>	<p>42 U.S.C. § 669A  42 U.S.C. § 666(b)(6)(A)  42 U.S.C. § 666(a)(17)  PRWORA §§ 314, 353, 372</p>	<p><b>1997 Act:</b> Secs. 13, 62</p>
<p><b>Income Withholding</b>  * revises existing withholding laws to incorporate various fed requirements, including 7 day employer deadline and no prior notice to obligor. Also, cleans up statutes relating to when and how CSED initiates income withholding when no immediate income withholding in order and when CSED may issue an order to withhold and deliver</p>	<p>AS 25.27.022(d)  AS 25.27.062  AS 25.27.150  AS 25.27.250</p>	<p>42 U.S.C. § 666(b)  42 U.S.C. § 666(c)(1)(F) &amp; (G)  PRWORA § 314, 325</p>	<p><b>1997 Act:</b> Secs. 80 – 82, 90 – 93, 128 – 130, 148(a)  <b>1998 Act:</b> Secs. 22, 23, 47</p>

<b>License Suspension</b> * "Best efforts" language added for occupational and drivers' licenses * recreational licenses	AS 25.27.244 AS 25.27.246 AS 09.50.020 AS 11.51.120 AS 12.55.139	42 U.S.C. 666(a)(16) PRWORA § 369	<b>1997 Act:</b> Secs. 106 – 127 <b>1998 Act:</b> Secs. 3 – 5 and 34 – 46
<b>Liens</b> * liens must arise by operation of law against non-custodial parent in arrears AND must give full faith & credit for liens arising in other states as long as other states meet Alaska's requirements	AS 25.27.230 AS 25.27.240	42 U.S.C. § 666(a)(4) PRWORA § 368	<b>1997 Act:</b> Secs. 104, 105 <b>1998 Act:</b> Sec. 31 – 33
<b>Medical Support Orders</b> * eliminates the requirement that the employer do business in Alaska before CSED sends a copy of medical support order to employer * requires the agency to send notice of medical support to new employer when obligor changes jobs	AS 25.27.063(b) AS 25.27.020(a)(9) AS 25.27.060 AS 21.36.095 Civil Rule 90.3(d)	42 U.S.C. § 666(a)(19) PRWORA § 382	<b>1998 Act:</b> Sec. 24
<b>Miscellaneous</b> * statute of limitations * interest rates * application for services * payments to the agency * audit of collections * certification of arrears * notice of public assistance * order establishment * service of papers	AS 09.10.040 AS 25.27.020(a)(6) AS 25.27.025 AS 25.27.100(a) AS 25.27.103 AS 25.27.105 AS 25.27.120(c) AS 25.27.160(b) AS 25.27.265	42 U.S.C. § 666(a)(2) 42 U.S.C. § 654A 42 U.S.C. § 654(4), (5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 654B(a)(1) PRWORA § 301 PRWORA § 311, 312 PRWORA § 325	<b>1997 Act:</b> Secs. 74 – 76, 78, 86 – 89, 94, 131 – 132 <b>1998 Act:</b> Secs. 2, 27
<b>Modification</b> * notice every 3 years of request for review; 3-year cycle for review upon request of parent or state agency, either per guidelines or based on COL or automated methods, without a material change in circumstances	AS 25.24.170(b) AS 25.27.190 AS 25.27.193	42 U.S.C. § 666(a)(10) PRWORA § 351	<b>1997 Act:</b> Secs. 44, 101 – 103
<b>New Hire Reporting</b> * must require employers to report hiring, rehiring, of each	AS 25.27.075	42 U.S.C. § 653A PRWORA § 313	<b>1998 Act:</b> Sec. 25

employee			
<b>Non-Cooperation</b> * good faith determinations when custodial parent fails to cooperate with CSED	AS 47.27.040(b)	42 U.S.C. § 654(29) PRWORA § 333	<b>1997 Act: Sec. 147</b>
<b>Nondisclosure of Information</b> * nondisclosure of information when there is a finding of domestic violence	AS 25.27.275	42 U.S.C. § 654(26) PRWORA § 303	<b>1997 Act: Sec. 134</b>
<b>Paternity</b> * state must have laws governing paternity establishment and voluntary acknowledgment of paternity which comply with detailed federal requirements. Please see summary for specifics.	AS 18.50.160 AS 18.50.165 AS 25.20.050 AS 25.20.055 AS 25.27.040(a) AS 25.27.165 AS 25.27.166 AS 25.27.167	42 U.S.C. § 666(a)(5) 42 U.S.C. § 666(c)(1) 42 U.S.C. § 652(a)(7) PRWORA § 325, 331	<b>1997 Act: Secs. 20 – 22, 36 – 42, 79, 95 – 100</b> <b>1998 Act: Secs. 12, 28 – 30</b>
<b>Seek Work Orders</b> * agency must be able to obtain order requiring obligor to seek work	AS 25.27.020(d)	42 U.S.C. § 666(a)(15) PRWORA § 365	<b>1997 Act: Sec. 77</b>
<b>Social Security Numbers</b> * must require SSN's on license applications (professional, driver's, occupational, recreational, marriage), case files re divorce, support or paternity, death certificates	AS 06.20.020 AS 06.40.050 AS 08.01.060 AS 08.01.100 AS 08.08.137 AS 09.55.050 AS 14.20.027 AS 16.05.330 AS 16.05.346 AS 16.06.360 AS 16.05.450 AS 16.05.480 AS 18.50.230 AS 18.60.395 AS 18.65.410 AS 18.72.030 AS 21.06.255 AS 25.05.091	42 U.S.C. § 666(a)(13) PRWORA § 317	<b>1997 Act: Secs. 3 – 6, 8, 9, 12, 14 – 18, 23 – 25, 27 – 32, 35, 41, 43, 45, 46</b> <b>1998 Act: Secs. 6 – 9, 12, 14 – 17, 51 – 52</b>

	AS 18.50.165 AS 18.50.280 AS 25.20.050(n) AS 25.24.160 AS 25.24.210 AS 25.24.230 AS 28.15.061		
<b>Subpoenas</b> * must be able to subpoena any financial or other information without approval of separate body, impose penalties for noncompliance, and enforce other states' subpoenas	AS 25.27.085 AS 25.27.086	42 U.S.C. § 666(a)(2) 42 U.S.C. § 666(c)(1) PRWORA § 325	<b>1997 Act: Secs. 83 – 85</b> <b>1998 Act: Sec. 26</b>
<b>Tax Dependents</b> * court may not unconditionally grant noncustodial parent right to claim child as tax dependent unless parent meets federal requirements and does not owe more than four times the monthly support obligation at end of tax year.	AS 25.24.152 AS 25.24.232	None	<b>1998 Act: Secs. 13, 18</b>
<b>UIFSA</b> * state must adopt verbatim the revised version of UIFSA	AS 25.25.101 – 25.25.903	42 U.S.C. § 666(f) PRWORA § 321	<b>1997 Act: Secs. 48 – 73</b> <b>1998 Act: Secs. 19 – 20</b>

- Chairman Dyson and members of committee
- Chairman Dylandt, assistant attorney general with collections and support section

## INTRODUCTION

Start with a brief outline of what due process <sup>is</sup> requires and then discuss specific examples in the context of child support proceedings.

## DISCUSSION

### A. Three Requirements of Due Process

- (1) Jurisdiction over the person
- (2) Notice
- (3) A meaningful opportunity to be heard

In plain English, this means: If government is going to do something that affects your rights, it has to tell you what it's doing and what the rules of the game are, it has to give you a fair opportunity to object, and you have to have enough of a connection with this state so that it's reasonable for this state to take the actions against you.

Guaranties a fair process, not necessarily a particular result

### B. Personal Jurisdiction

Personal jurisdiction: gives a government agency or a court the right to reach out and touch someone

- (1) Residence in Alaska – if you live here, you should reasonably expect your rights and responsibilities to be determined here in Alaska
- (2) Sufficient connection between you and the State of Alaska so that it's fair for you to expect to have your rights determined here.

*e.g.*, couple married in Alaska, live here for 10 years, have 2 children, parents separate, mother leaves Alaska, father stays here with the children and files for divorce. Alaska would have personal jurisdiction to handle divorce and child custody and support issues, even though mother no longer resides in Alaska

*e.g.*, same couple, but married and live in Washington for 10 years, father moves to Alaska with the children and files for divorce, mother has never lived in Alaska or had any connection with Alaska – Alaska would not have

NOTE: interstate - if another state acts re Atk resident,  
contest held here

personal jurisdiction over the mother to determine her rights and responsibilities, *i.e.*, child support

C. Notice: in legal proceedings, usually referred to as service

Government has to tell you about the proceeding and what your rights and responsibilities are in connection with that proceeding

Two types of service:

- (1) Actual notice (Civil Rule 4 service): personal delivery or certified, registered, or insured mail, restricted delivery, return receipt requested – designed to ensure actual notice
- (2) Notice by mail (Rule 5 service): regular U.S. mail to last known address – service is complete upon mailing, regardless of whether you actually receive the papers

When used:

- (1) Actual notice: when there hasn't been any previous action – *i.e.*, the first notice or pleading that goes to the person
  - \* notice and finding of financial responsibility: starts the administrative order establishment proceeding
  - \* notice of paternity and financial responsibility: starts the administrative paternity establishment proceeding
- (2) Service by regular mail: when you already know about the action and are expected to keep the court or CSED informed of any address changes – CSED does have an obligation to make sure the address they use is the “last known address” – CSED does make an effort to locate last known address.
  - \* modification papers: notice of petition for modification, motion to modify

D. Meaningful opportunity to be heard

- (1) Notice of procedures and standards
  - (a) have to tell people what the rules of the game are beforehand – ~~needs to be clear standards so that government action isn't arbitrary~~
    - ① what arguments or standards
    - ② what procedures to raise arguments

- (b) Forms and regulations are primary means of putting standards and procedures in writing
- (2) Opportunity to present evidence and arguments

- (a) Written submissions

*e.g.*, administrative review process – first level of review in most cases – not required by statute, but added by CSED by regulation to give people an additional opportunity to be heard – usually handled on paper – person can provide written arguments, documentation to support arguments; then caseworker reviews all information in the file and issues a decision

- (b) In-person hearing

*e.g.*, formal hearing – if the person disagrees with the administrative review decision, can request a formal hearing in some cases – an in-person hearing is scheduled before a Department of Revenue formal hearing examiner – can submit written arguments and documents before the hearing, and also provide testimony and arguments at the hearing

- (c) Appeal rights: administrative appeal followed by judicial appeal

### C. Examples of Due Process in the Welfare Reform Context

- (1) Income Withholding

Federal law was amended to specifically require that:

- (a) state notify obligor that withholding has commenced and procedures to follow if noncustodial parent wants to contest the withholding;

~~(b) withholding order must go out without advanced notice to obligor.~~

Result: Income withholding regs (15 AAC 125.500 – 125.565):

- (a) Notice and right to contest each time a withholding order is sent, not just when withholding is first commenced
- (b) Procedures and standards for contesting a withholding order
- (c) Clear explanation as to how the withholding amount is calculated, when one is exempt from withholding, and when and how a withholding order may be modified
- (d) Procedures and standards for requesting a hardship exception

(2) Paternity

Voluntary acknowledgments: changed dramatically in light of welfare reform requirements –

- (a) acknowledgment must explain legal consequences, rights and responsibilities, and alternatives to signing form;
- (b) person has been informed that acknowledgment can't be rescinded after 60 days absent fraud, duress or material mistake of fact; and
- (c) person states that they have read and understood the form

Result: although voluntary acknowledgments are given more legal effect – same as a court order – people are given a lot more information and warnings before they sign

Paternity proceedings: increased emphasis on making sure that we have the right man: and to increase opportunities for people to be heard during the process

- (a) either party can request genetic testing order;
- (b) allowing parents to challenge paternity testing order prior to testing either because of best interests of child or because no reasonable basis for ordering testing;
- (c) allowing a putative father to request administrative paternity establishment;
- (d) allowing for second genetic test upon request;
- (e) judicial contempt proceeding for failure to comply with admin paternity testing order

Result: focus is on assuring that the correct father (*i.e.*, the biological father) is identified and established as the child's father for support purposes

(3) Modifications

Federal law requires that states give parents right to request a review at least once every 3 years.

(4) Credit Bureau Reporting

Procedures for credit bureau reporting must ensure that arrears are reported only after the parent "has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information." 42 U.S.C. § 666(a)(7).

CSED already had procedures in place to meet due process requirements for credit bureau reporting. (Former 15 AAC 125.155) New regulation did not substantially change the procedures for credit bureau reporting. (15 AAC 125.418)

(5) Licenses

States must have procedures by which licenses can be suspended. Federal law doesn't discuss due process requirements.

State law provides extensive notice and hearing provisions:

- (a) 60-day notice of arrears
  - (b) notice of intent to suspend
  - (c) right to administrative review
  - (d) right to expedited judicial review
  - (e) relief outside of statute (AS 25.27.210(e))
- } triggers 150-day review period
- } exception: hunting/fishing  
=> only through contempt or crim non-support

(6) Administrative Subpoenas

Must be able to subpoena financial or other information without obtaining an order from another tribunal and to impose penalties for noncompliance

\* enhanced service requirement - now must serve per Rule 4  
15 AAC 125.440:

- (a) created an administrative review procedure which allows a person to contest the administrative subpoena and explain why they shouldn't have to comply - this is done before we take them to court;
- (b) created an administrative procedure for imposing civil penalties for noncompliance

Result: Give people an opportunity to be heard, a chance to object to the subpoena, before we drag them into court - hopefully, we can avoid taking people to court except in cases of unexcused noncompliance



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for  
Children and Families

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

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.

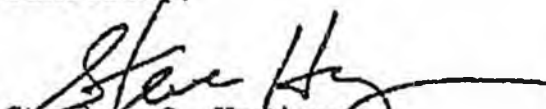
Page 2 - Barbara Miklos

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



DEPARTMENT OF HEALTH & HUMAN SERVICES

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ADMINISTRATION FOR CHILDREN AND FAMILIES  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

Ms. Barbara J. Miklos  
Director  
State of Alaska, Department of Revenue  
Child Support Enforcement Division  
550 W. 7<sup>th</sup> Ave., Suite 310  
Anchorage, AK 99501-6699

Dear Ms. Miklos:

This is in response to your letter to Mr. Steve Henigson, Regional Administrator, regarding Alaska's request for an exemption from the provision regarding collection of Social Security Numbers on recreational license applications found in section 466 (a)(13) of the Social Security Act (Act), as amended by section 5536 of the Balanced Budget Act of 1997 (P.L. 105-33).

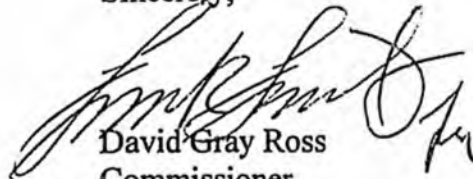
Alaska has demonstrated in accordance with section 466(d) of the Act, 45 CFR 302.70(d)(2) and OCSE-AT-97-02, that compliance with the requirement would not increase the efficiency and effectiveness of the State's Child Support Enforcement program. We are granting your request for exemption from the requirement of section 466(a)(13), which requires collection of social security numbers on recreational license applications, based on Alaska's operation of a similar existing procedure through the Permanent Fund Dividend program.

This exemption is granted for a three-year period effective October 1, 2000. The exemption may be terminated upon a change in circumstance in the State. If the State cannot demonstrate that the changed circumstances continue to warrant an exemption in accordance with this the aforementioned requirements, the exemption will be revoked. Alaska would then be required to implement the requirement in section 466(a)(13) of the Act.

Page 2 – Ms. Miklos

The State must apply for an extension of this exemption 90 days before the end of the exemption period. If an extension is not granted or the exemption is revoked, the State must enact the appropriate laws and procedures to implement the mandatory practice by the beginning of the fourth month after the end of the first regular, special, budget, or other session of the State legislature which ends after the date the exemption is revoked or an exemption is denied. If no legislation is necessary, Alaska must establish and be using the appropriate procedures by the beginning of the fourth month after the date the exemption is revoked.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Gray Ross".

David Gray Ross  
Commissioner,  
Office of Child Support Enforcement

CC: Mr. Steve Henigson  
Regional Administrator  
Region X

## **CHILD SUPPORT ENFORCEMENT "SUNSET" SUMMARY**

Legislation passed in 1997 and 1998 contained sunset provisions that will take effect in 2001. These laws support programs and activities at CSED that have resulted in a significant increase in child support payments, and improved services to families in Alaska. If the sunset is allowed to occur, these improvements will be diminished, and by being out of compliance with welfare reform laws Alaska will be in jeopardy of losing \$80,000,000 in federal public assistance and child support funding.

Below is an outline of key parts of the 1997 and 1998 legislation, as well as a description of how the sunset provisions would affect CSED's work. Each of these segments is a requirement of federal compliance.

### **Availability of Records/Access to Information**

The subject statutes allow CSED to obtain certain types of information electronically and through administrative action. If these provisions are repealed, CSED may be required to contact sources of information separately for each case, and take the difficult and time-consuming avenue of obtaining a court order to request basic information. The time lost would severely hamper our child support enforcement efforts.

### **'Best Efforts' Language**

Adopted in 1998, this language allows a non-custodial parent who is found by a court to be making the 'best efforts possible under the circumstances to have no child support arrearages' to avoid the loss or suspension of a driver's or other license. The act adds commercial crewmember fishing licenses to existing license statute, and removes subpoena noncompliance as a reason for general license suspension. Instead, the act allows license suspension for subpoena noncompliance only in the context of a civil contempt action.

### **Central Registry**

The law requires courts to automatically forward child support orders to CSED, and authorizes CSED to exchange this and other critical information within strict confidentiality guidelines. These procedures allow CSED to serve clients with improved timeliness and accuracy, efficiencies that will be diminished if the statutes are repealed.

### **Credit Bureau Reporting**

Current state law requires child support debt to be reflected on a delinquent parent's credit bureau report until it has been paid. The sunset would have the effect that unpaid child support arrears could not be reported after 10 years.

## **Definitions: Duty of support, earnings, tribunal, arrearages**

The 1997 and 1998 acts redefined a number of key terms used in child support enforcement, and this nationwide uniformity is essential to cooperative enforcement efforts between the states.

## **Due Process**

The 1997 and 1998 acts strengthened due process protections by requiring additional notices to parents of their rights and responsibilities in paternity and child support proceedings and by providing additional opportunities for parents and other persons to request and obtain administrative and judicial review of agency actions and decisions.

## **Financial Institution Data Match and Immunity from Liability**

Current statutes allow us to match the names of parents who owe arrears with the names on accounts at financial institutions. This makes it much more difficult for delinquent parents to hide their assets, simplifies the search for funds in multi-state institutions, and allows the institutions to cooperate without fear of retaliatory lawsuits. Few banks would participate in the FIDM if this protection were repealed. Searching for hidden assets would require sweeps of all banks for each and every case. For many children our ability to collect support would be seriously compromised.

## **Income Withholding**

In direct response to federal requirements from PRWORA, the 1997 and 1998 acts have simplified the way a non-custodial pays child support through withholding, and shortened to 7 days the time between the request for withholding and the commencement of withholding by the employer. Within 2 days of receipt of withheld funds, CSED forwards the payment to the family. In out-of-state cases, we can request income withholding directly (without going through the other state's child support agency), often saving several months' delay. If these laws are allowed to sunset, it will be harder for CSED to collect monthly payments and arrearages; these collections may take months to implement, rather than immediately; and it will be easier for delinquent parents to avoid payment of their child support obligations by moving to another job before income withholding can be established.

## **Liens**

The subject legislation simplified the statute so that CSED or a parent may assert a lien when the obligor owes an arrearage under a support order being enforced by the agency. Also, Alaska cooperates with other jurisdictions by giving full faith and credit to liens arising by operation of law in other states, *if the person seeking to enforce the lien complies with this state's procedural requirements for recording and serving liens*. The simplified statutes, and the reciprocity with regard to liens, allow us to collect lawfully established support payments and arrearages that might otherwise be unreachable.

## **Miscellaneous**

The subject statutes provide procedures and definitions relating to the following subjects, and bring Alaska into conformance with language in PRWORA.

- exchange information
- application for services
- payments to the agency
- audit of collections
- notice of public assistance
- order establishment
- service of papers
- regulations
- fees for services
- state registry information

## **Modification**

The subject statutes require that parties be given periodic notice of their right to seek review of child support orders. They allow review of orders every three years and clarify CSED's authority to modify administrative orders where out of state court orders also exist. If allowed to sunset, all parties' rights to due process will be weakened because state agencies will no longer be required to have written regulations setting out procedures and standards governing the modification process.

## **New Hire Reporting**

Under the current law, all employers in the state are required to report to CSED new hires and rehires. This information helps CSED locate parents, and establish and enforce child support orders. New Hire reporting is currently responsible for about 12% of total child support collections. If the acts sunset, we will revert to a previous statute that only required employers to report new hires if notified by CSED, and which created a number of classes of exempt employers. Reversion to the old statute will *increase* to \$1000 the civil penalties that can be levied against employers for not reporting

## **Non-Cooperation**

Current and previous laws require ATAP recipients to cooperate with child support proceedings. The 1997 act clarified who would make the determination of non-cooperation (CSED) and who would decide if the party had good cause for non-cooperation (DHHS). This clarification promotes cooperation in matters of paternity and child support, and protects parties who may have reasons for not cooperating, such as threats of domestic violence. These protections would be jeopardized by the sunset.

## **Nondisclosure of Information**

The 1997 statute allows CSED to refuse to disclose the address or other identifying information of a parent or child if the health, safety, or liberty of that person would be unreasonably put at risk by such disclosure. Under the sunset, Alaska law will revert to a requirement to make such information available regardless of the risk if the obligor is current on child support obligations and has a previous visitation or joint custody agreement.

## **Paternity**

The 1997 and 1998 acts include detailed requirements for the form, use, and legal effect of voluntary acknowledgments of paternity, and for proceedings to establish paternity. Acknowledgement forms must include a statement setting out the legal consequences, rights, responsibilities and alternatives to signing the form and listing the restrictions to rescinding the acknowledgment. The acts also addressed a variety of substantive and procedural requirements for the establishment of paternity, including genetic testing, consideration of the best interests of the child, recovery of costs of testing, and allowing a putative father to request genetic testing. Reversion to previous law will diminish due process provisions and safety considerations, and will complicate the paternity determination process.

## **Seek Work Orders**

In cases where support is owed a child who is receiving public assistance, the 1997 statute allows CSED to order an obligor to seek work, or to ask a court to order an obligor to seek work, unless the obligor enters into and complies with an approved payment plan. Without this statute, CSED would have to request a seek work order from the court in the context of a civil contempt proceeding.

## **Social Security Numbers**

The 1997 and 1998 acts required applicants for state licenses, including professional, business, occupational, driver's, recreational and marriage licenses, to include their social security numbers. These numbers help CSED locate parents and collect child support, and reduce the number of cases of mistaken identity. (Requirements for social security numbers on hunting and fishing licenses have been waived and will be allowed to sunset even if the sunset repealer is passed.)

## **Subpoenas**

The current statutes establish procedures that give CSED the authority to subpoena financial or other information needed to establish, modify, or enforce a child support order. They require that subpoenas be served in person, or by registered, certified or insured mail. They allow a claim of good cause excusing compliance, provide a direct avenue of appeal of penalty decisions to the Superior court, and specify that CSED will enforce a subpoena from another state in the same manner. Repeal will restrict CSED's ability to obtain critical information, limiting the establishment, modification and enforcement of child support orders; and will diminish parties' due process rights with regard to administrative subpoenas.

## **UIFSA**

The 1998 act revised the previous UIFSA statute to be clearer and more consistent. Without the changes, interstate cooperation in child support cases would be very difficult.









**HB**

**43**

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: CSHB 43(EDU)  
(H) Publish Date: 2/16/01

Revision Date/Time (Note if correction): 2/14/01/4:20 PM Dept. Affected: Education  
Title: An Act relating to forgiveness of certain loans; and providing for an effective date. BRU: ACPE  
Sponsor: Rep. Green Component: Student Loan Operations  
Requester: (H) HESS Component Number: 213

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous		85.0	170.0	254.9	339.9	424.9
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>85.0</b>	<b>170.0</b>	<b>254.9</b>	<b>339.9</b>	<b>424.9</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF		85.0	170.0	254.9	339.9	424.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0 0</b>	<b>85.0</b>	<b>170.0</b>	<b>254.9</b>	<b>339.9</b>	<b>424.9</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation prospectively changes the terms and conditions of loans issued under the Alaska Student Loan Program to allow for a reimbursement of loan principal and interest for a borrower, under certain conditions.

Alaska Student Loans are made available through the sale of bonds issued and subject to the terms of a Trust Indenture. Bond covenants would prevent use of corporation cash to fund the reimbursement proposed.

Operationally, a data management process would need to be developed and staff designated to track the employment status of borrowers remaining or returning to Alaska.

To estimate the cost of this legislation, loan originations are assumed to be \$50,000,000 each year beginning with the 2001-2002 academic year. A percentage of eligible borrowers was estimated based on the number of Alaska teachers currently in repayment of an Alaska Student Loan. The costs shown assume 50% of eligible borrowers would teach in qualifying positions. Because this legislation, as amended, focuses the benefits of the forgiveness program on individuals who teach in designated shortage areas (either geographically or educational specialization), cost estimates must be considered very speculative.

Prepared by: Sheila Kinc, Finance Officer Phone 465-6757  
Division: Finance Date/Time 2/14/01 4:20 PM  
Approved by: Diane Barrans, Executive Officer Date 2/14/2001  
Agency: Alaska Commission on Postsecondary Education

For distribution information call the Governor's Legislative Office

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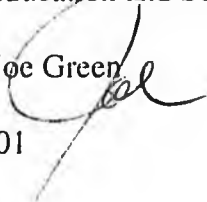
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DEPT. OF CORRECTIONS  
DEPT. OF LAW

Representative Joe Green  
District 10

## MEMORANDUM

To: The Honorable Fred Dyson, Chairman  
House Health, Education and Social Services Committee

From: Representative Joe Green 

Date: February 19, 2001

Subject: CSHB 43 (EDU)  
Forgiveness of Student Loans

I request that you schedule CSHB 43 (EDU) for a hearing before the House Health Education and Social Services Committee, as soon as possible, so that it can catch up to HB 37 on the same subject and provide maximum efficiency for members of your committee.

Attached are:

1. Committee Substitute for House Bill 43 (EDU)
2. House Bill 43
3. Sponsor Statement
4. Fiscal Note

Thank you for your consideration of this request.

# Alaska State Legislature

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MEMBER, ETHICS  
MEMBER, MILITARY & VETERAN AFFAIRS

BUDGET SUBCOMMITTEES:  
ALASKA COURT SYSTEM  
DEPT. OF CORRECTIONS  
DEPT. OF LAW

Representative Joe Green  
District 10

## SPONSOR STATEMENT - CSHB 43 (EDU)

### "An Act relating to forgiveness of certain student loans"

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CSHB 43 is being introduced as a method to attract and retain education professionals. In addition to attracting qualified teachers, it provides an incentive for individuals to attend a college or university located within the state of Alaska.

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1. Have completed 60 credit hours.
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The amount forgiven would be up to 100% on any loan taken after the individual had accumulated 60 credit hours.

Passage of this bill should ease the financial burden of post-secondary education, aide the recruitment efforts for teachers by making Alaska a more desirable place for teachers to stay and earn a living, and it should make significant strides in relieving the current teacher shortage in Alaska.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: CSHB 43(EDU)  
(H) Publish Date: 2/16/01

Revision Date/Time (Note if correction): 2/14/01 4:20 PM Dept. Affected: Education  
Title: An Act relating to forgiveness of certain loans; and BRU: ACPE  
providing for an effective date. Component: Student Loan Operations  
Sponsor: Rep. Green  
Requester: (H) HESS Component Number: 213

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous		85.0	170.0	254.9	339.9	424.9
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>85.0</b>	<b>170.0</b>	<b>254.9</b>	<b>339.9</b>	<b>424.9</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF		85.0	170.0	254.9	339.9	424.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>85.0</b>	<b>170.0</b>	<b>254.9</b>	<b>339.9</b>	<b>424.9</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation prospectively changes the terms and conditions of loans issued under the Alaska Student Loan Program to allow for a reimbursement of loan principal and interest for a borrower, under certain conditions.

Alaska Student Loans are made available through the sale of bonds issued and subject to the terms of a Trust Indenture. Bond covenants would prevent use of corporation cash to fund the reimbursement proposed.

Operationally, a data management process would need to be developed and staff designated to track the employment status of borrowers remaining or returning to Alaska.

To estimate the cost of this legislation, loan originations are assumed to be \$50,000,000 each year beginning with the 2001-2002 academic year. A percentage of eligible borrowers was estimated based on the number of Alaska teachers currently in repayment of an Alaska Student Loan. The costs shown assume 50% of eligible borrowers would teach in qualifying positions. Because this legislation, as amended, focuses the benefits of the forgiveness program on individuals who teach in designated shortage areas (either geographically or educational specialization), cost estimates must be considered very speculative.

Prepared by: Sheila King, Finance Officer Phone 465-6757  
Division: Finance Date/Time 2/14/01 4:20 PM  
Approved by: Diane Barrans, Executive Officer *Diane Barrans* Date 2/14/2001  
Agency: Alaska Commission on Postsecondary Education

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# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

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 Sponsor: Rep. Green  
 Requester: (H) HESS Component Number: 213

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<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
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Prepared by: Sheila King, Finance Officer Phone 465-6757  
 Division: Finance Date/Time 2/14/01 4:20 PM  
 Approved by: Diane Barrans, Executive Officer *Diane Barrans* Date 2/14/2001  
 Agency: Alaska Commission on Postsecondary Education

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AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 43(EDU)

BY REPRESENTATIVE DYSON

1 Page 2, following line 25:

2 Insert a new subsection to read:

3 "(f) In this section, "teacher" includes a librarian, counselor, or other person  
4 who possesses a valid teacher certificate issued under AS 14.20.020."





# Alaska State Legislature

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