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Chapter No.

7

AN ACT

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

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 28, 1994

Actual Effective Date: July 8, 1994

AN ACT

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

4

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

6 (a) The agency shall

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

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

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

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1 (B) procedures for hearings conducted under AS 25.27.170; and

2 (C) subject to AS 25.27.025 and to federal law, a uniform rate
3 of interest on arrearages of support that shall be charged the obligor upon
4 notice if child support payments are 10 or more days overdue or if payment is
5 made by a check backed by insufficient funds; however, an obligor may not be
6 charged interest on late payment of a child support obligation, other than a
7 payment on arrearages, if the obligor is

8 (i) employed and income is being withheld from the
9 obligor's wages under an income withholding order;

10 (ii) receiving unemployment compensation and child
11 support obligations are being withheld from the obligor's unemployment
12 payments under AS 23.20.401; or

13 (iii) receiving compensation for disabilities under
14 AS 23.30 and child support obligations are being withheld from the
15 obligor's compensation payments;

16 (3) administer and enforce AS 25.25 (Uniform Reciprocal Enforcement
17 of Support Act);

18 (4) establish, enforce, and administer child support obligations
19 administratively under this chapter;

20 (5) administer the state plan required under 42 U.S.C. 651 - 669 (Title
21 IV-D, Social Security Act) as amended;

22 (6) disburse support payments collected by the agency to the obligee,
23 together with interest charged under (2)(C) of this subsection;

24 (7) establish and enforce administratively under this chapter, or through
25 the superior courts of the state, child support orders from other jurisdictions pertaining
26 to obligors within the state;

27 (8) enforce and administer spousal support orders if a spousal support
28 obligation has been established with respect to the spouse and if the support obligation
29 established with respect to the child of that spouse is also being administered; and

30 (9) obtain a medical support order as part of a child support order if
31 health care coverage is available to the obligor at a reasonable cost; the agency shall

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

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

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

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

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

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

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

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

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

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

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

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

8 (1) the obligor requests withholding;

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

12 (3) the obligee requests withholding and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (k) An employer who is withholding income of an obligor under an order that
8 provides that the withheld income shall be paid to the agency shall notify the agency
9 promptly when the obligor gives or receives notice of termination of employment and
10 provide to the agency the obligor's last known home address and the name and address
11 of the obligor's new employer, if known. The employer shall keep a record of the
12 order to withhold income from the obligor for three years after the employer notifies
13 the agency that the obligor has terminated employment. If, within that three-year
14 period, the obligor is reemployed by the former employer, the employer shall
15 immediately implement the order against the obligor's earnings unless the employer
16 has received notice from the agency that the order is no longer applicable to the
17 obligor. If the obligor is reemployed by the former employer after that three-year
18 period, the employer is not required to implement a withholding order against the
19 obligor's earnings until the employer receives a new order to withhold the obligor's
20 income under this chapter.

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

22 (l) Unless modified or terminated by the agency or the court, an order to
23 withhold income under this chapter remains in effect, except as provided in (k) of this
24 section, until the support order is satisfied. The agency or court may not terminate or
25 modify an income withholding order solely on the ground that the obligor has paid all
26 arrearages. Upon satisfaction of a support order, if the order is

27 (1) being enforced by the agency, the agency shall, within 15 working
28 days, notify all persons served by the agency with the income withholding order that
29 withholding is no longer required; if the agency receives money from an obligor under
30 an income withholding order after the underlying support order has been satisfied and
31 the agency was enforcing the support order at the time it became satisfied, the agency

1 shall immediately return the overpayment to the obligor; if the agency fails to return
2 an overpayment as required under this paragraph, the state is liable to the obligor for
3 the amount of the overpayment, plus interest at the rate imposed under AS 43.05.225,
4 and a person to whom the agency erroneously disbursed the overpayment is liable to
5 the state for the amount disbursed, plus interest at the rate imposed under
6 AS 43.05.225;

7 (2) not being enforced by the agency, the obligor shall file a motion
8 in court requesting termination of the withholding order and serve the motion on the
9 obligee; the court shall enter an order terminating the withholding order if the court
10 determines that the support order has been satisfied; the obligor may deliver a copy
11 of the termination order to persons who were served with the income withholding
12 order; when a termination order is entered, the obligee shall, upon request of the
13 obligor, notify the obligor of all persons who have been served with the income
14 withholding order by the obligee.

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

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

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

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

27 (B) the obligor or obligee demonstrates and the agency, in
28 compliance with applicable federal law, finds good cause not to require
29 immediate income withholding because it would not be in the best interests of
30 the child and, in a case involving the modification of a support order, the
31 obligor has made voluntary support payments under a court or agency order

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1 and has not been in arrears in an amount equal to the support payable for one
2 month; in this paragraph, "in arrears" means failing to make a support payment
3 within 30 days of the monthly due date specified in the order;

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

8 (A) the court finds that (i) a written agreement exists between
9 the obligor and the obligee that provides for an alternative arrangement and (ii)
10 income withholding has not been terminated previously and subsequently
11 initiated; the agency must also be a party to an agreement under this paragraph
12 if support has been assigned to the state; or

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

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

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

30 * Sec. 14. AS 25.27.100 is amended to read:

31 Sec. 25.27.100. ALL PERSONS MAY USE AGENCY; FEES FOR

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1 **SERVICES.** The agency shall provide aid to any person due child support under the
2 laws of this state upon application. **Subject to (b) of this section, the** [THE] agency
3 may, by regulation, impose a fee for services provided under this chapter.

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

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

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

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

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

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

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

25 (c) The notice shall inform the obligor that the income withholding order will
26 take effect 15 days after the date on which the notice is served unless the obligor
27 requests a hearing within 15 days after the notice is served. If the obligor requests a
28 hearing, an income withholding order may not take effect until the conclusion of the
29 hearing.

30 (d) If the obligor requests a hearing, it shall be conducted under the
31 department's regulations for informal conferences and shall be held within 15 days of

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1 the date of the request. The hearing may only be held to determine if there is a
2 mistake of fact that makes the income withholding order improper because the amount
3 of current or overdue support is incorrect, the identity of the obligor is inaccurate, or,
4 for initiated withholding based on AS 25.27.062(c)(3)(A), the alleged facts regarding
5 overdue payments or potential withdrawal of assets are incorrect. The order is not
6 subject to any other legal defenses. It is not a defense to an income withholding order
7 issued under AS 25.27.062(c)(2) that less than one full month's payment is past due
8 if at least one full month's payment was past due on the date notice was served under
9 this section.

10 (e) The appeals officer shall inform the obligor, either at the hearing or within
11 15 days after the hearing, whether or not the withholding will occur and of the date
12 on which it is to commence.

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

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

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

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

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

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

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

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

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

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

7 (b) If a request **for a formal hearing** under (a) of this section is made, the
8 execution under **AS 25.27.062 and 25.27.230 - 25.27.270 may not** [AS 25.27.230 -
9 25.27.270 SHALL] be stayed **unless the obligor posts security or a bond in the**
10 **amount of child support that would have been due under the finding of financial**
11 **responsibility** pending the decision on the hearing [, OR THE DECISION OF A
12 COURT, IF APPEALED]. If no request for a hearing is made, the finding of
13 responsibility is final at the expiration of the 30-day period.

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

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

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

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

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

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

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

31 (a) At the expiration of 30 days from either (1) the date of **distribution of an**

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1 income withholding order under AS 25.27.062 [SERVICE OF NOTICE UNDER
2 AS 25.27.150], or (2) the date of service of a notice and finding of financial
3 responsibility under AS 25.27.160, the agency may assert a lien upon the real or
4 personal property of the obligor, in the amount of the obligor's liability.

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

6 (c) The lien shall attach to all real and personal property of the obligor and be
7 effective on the date of recording of the lien with the recorder of the recording district
8 in which the property attached is located. A lien against earnings shall attach and be
9 effective upon filing with the recorder of the recording district in which the employer
10 does business or maintains an office or agent for the purpose of doing business. A
11 lien filed at the offices of the Commercial Fisheries Entry Commission in Juneau
12 against a limited entry permit issued under AS 16.43 is considered to have been
13 filed against the permit in all recording districts in which the permit holder uses
14 the permit.

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

16 (a) At the expiration of either (1) 15 [30] days from the date of service of an
17 income withholding order under AS 25.27.062 or notice under AS 25.27.150, or (2)
18 30 days from the date of service of a notice and finding of financial responsibility
19 under AS 25.27.160, the agency may issue to any person, political subdivision, or
20 department of the state an order to withhold and deliver property.

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

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

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

31 (f) If a person, political subdivision, or department of the state upon whom

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1 service of an order to withhold and deliver has been made possesses property due,
2 owing, or belonging to the obligor, that person, subdivision, or department shall
3 withhold the property immediately upon receipt of the order and shall deliver the
4 property to the agency [UPON DEMAND] after the expiration of the 14-day period
5 from the date of service of the order or expiration of the period specified in
6 AS 25.27.062(e), whichever is earlier. The agency shall hold property delivered
7 under this subsection in trust for application against the liability of the obligor under
8 AS 25.27.062, 25.27.120, or 25.27.160 [AS 25.27.130] or for return, without interest,
9 depending on final determination of liability or nonliability under this chapter. The
10 agency may accept a good and sufficient bond to secure payment of past, present,
11 and future support conditioned upon final determination of liability in lieu of
12 requiring delivery [DELIVERING] of property under this subsection.

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

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

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

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

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

31 Sec. 25.27.260. CIVIL LIABILITY UPON FAILURE TO COMPLY WITH

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1 AN ORDER OR LIEN. If a [ANY] person, political subdivision, or department of the
2 state (1) fails to make an answer to an order to withhold and deliver within the time
3 prescribed in AS 25.27.250; (2) fails or refuses to deliver property in accordance with
4 an order issued under AS 25.27.250; (3) pays over, releases, sells, transfers, or conveys
5 real property subject to a lien recorded under AS 25.27.230 to or for the benefit of the
6 obligor or any other person; (4) fails or refuses to surrender upon demand property
7 attached; or (5) intentionally fails or refuses to honor an assignment of wages or an
8 income withholding order under AS 25.27.062 that was served [PRESENTED] by the
9 agency through personal service by a process server or through certified mail,
10 return receipt requested, the person, political subdivision, or department of the state
11 is liable to the agency in an amount equal to 100 percent of the amount constituting
12 the basis of the lien, order to withhold and deliver, attachment, or withholding of
13 wages or income, together with costs, interest, and reasonable attorney fees.

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

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

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

21 (b) Unless alternative arrangements are expressly approved by the
22 commissioner, when a prisoner is employed outside a correctional facility as part of
23 a prerelease or short-duration furlough program, or as part of serving time in a
24 correctional restitution center under AS 33.30.151 - 33.30.181, the earnings of the
25 prisoner shall be delivered to the commissioner. If an employer transmits the earnings
26 to the commissioner, the employer has no liability to the prisoner for the earnings. The
27 commissioner shall disburse the earnings of the prisoner, in an order determined
28 appropriate, under procedures adopted by the commissioner to

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

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

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

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

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

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

8 (d) HEALTH INSURANCE - CREDITS. The court shall address coverage of
9 the children's health care needs and require health insurance if insurance is available
10 to either parent at a reasonable cost. The court shall consider whether the children
11 are eligible for services through the Indian Health Service or other insurance
12 coverage before ordering the obligor to provide health care coverage through
13 insurance or other means. In calculating a child support award, credit will be given
14 for medical and dental insurance, or educational payments for the children which are
15 required by the court or administrative order and actually paid.

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

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

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

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

27 (3) the support order is being enforced by the child support enforcement
28 agency.

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

Chapter 7

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