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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 887

February 16, 2009

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The bill was read for the first time and referred to the Committee on Civil Justice

1.1 A bill for an act
1.2 relating to child support; requiring collection service fees to be paid by obligor;
1.3 amending Minnesota Statutes 2008, section 518A.51.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2008, section 518A.51, is amended to read:

1.6 **518A.51 FEES FOR IV-D SERVICES.**

1.7 (a) When a recipient of IV-D services is no longer receiving assistance under the
1.8 state's title IV-A, IV-E foster care, medical assistance, or MinnesotaCare programs, the
1.9 public authority responsible for child support enforcement must notify the recipient,
1.10 within five working days of the notification of ineligibility, that IV-D services will be
1.11 continued unless the public authority is notified to the contrary by the recipient. The
1.12 notice must include the implications of continuing to receive IV-D services, including the
1.13 available services and fees, cost recovery fees, and distribution policies relating to fees.

1.14 (b) An application fee of \$25 shall be paid by the person who applies for child
1.15 support and maintenance collection services, except persons who are receiving public
1.16 assistance as defined in section 256.741 and the diversionary work program under section
1.17 256J.95, persons who transfer from public assistance to nonpublic assistance status, and
1.18 minor parents and parents enrolled in a public secondary school, area learning center, or
1.19 alternative learning program approved by the commissioner of education.

1.20 (c) ~~In the case of an individual who has never received assistance under a state~~
1.21 ~~program funded under Title IV-A of the Social Security Act and for whom the public~~
1.22 ~~authority has collected at least \$500 of support,~~ The public authority must impose an
1.23 annual federal collections fee of \$25 on the obligor for each case in which services are

2.1 furnished. ~~This fee must be retained by the public authority from support collected on~~
 2.2 ~~behalf of the individual, but not from the first \$500 collected.~~

2.3 ~~(d) When the public authority provides full IV-D services to an obligee who has~~
 2.4 ~~applied for those services, upon written notice to the obligee, the public authority must~~
 2.5 ~~charge a cost recovery fee of one percent of the amount collected. This fee must be~~
 2.6 ~~deducted from the amount of the child support and maintenance collected and not assigned~~
 2.7 ~~under section 256.741 before disbursement to the obligee. This fee does not apply to an~~
 2.8 ~~obligee who:~~

2.9 ~~(1) is currently receiving assistance under the state's title IV-A, IV-E foster care,~~
 2.10 ~~medical assistance, or MinnesotaCare programs; or~~

2.11 ~~(2) has received assistance under the state's title IV-A or IV-E foster care programs;~~
 2.12 ~~until the person has not received this assistance for 24 consecutive months.~~

2.13 ~~(e)~~ (d) When the public authority provides full IV-D services to an obligee or an
 2.14 obligor who has applied for such services, upon written notice to the obligor, the public
 2.15 authority must charge the obligor a cost recovery fee of one percent of the monthly
 2.16 court-ordered child support and maintenance obligation. ~~The fee~~ fees under this paragraph
 2.17 and paragraph (c) are in addition to the amount of the support order and may be collected
 2.18 through income withholding, as well as by any other enforcement remedy available to the
 2.19 public authority responsible for child support enforcement.

2.20 ~~(f)~~ (e) Fees assessed by state and federal tax agencies for collection of overdue
 2.21 support ~~owed to or on behalf of a person not receiving public assistance~~ must be imposed
 2.22 on the ~~person for whom these services are provided~~ obligor. The public authority upon
 2.23 written notice to the ~~obligee~~ obligor shall assess a fee of \$25 ~~to the person not receiving~~
 2.24 ~~public assistance for each successful federal tax interception, in addition to funds~~
 2.25 intercepted for the obligee. The fee must be withheld prior to the release of the funds
 2.26 received from each interception and deposited in the general fund.

2.27 ~~(g)~~ (f) Federal collections fees collected under paragraph (c) and cost recovery
 2.28 fees collected under ~~paragraphs~~ paragraph (d) and (e) shall be considered child support
 2.29 program income according to Code of Federal Regulations, title 45, section 304.50, and
 2.30 shall be deposited in the special revenue fund account established under paragraph ~~(i)~~ (h).
 2.31 The commissioner of human services must elect to recover costs based on either actual or
 2.32 standardized costs.

2.33 ~~(h)~~ (g) The limitations of this section on the assessment of fees shall not apply to
 2.34 the extent inconsistent with the requirements of federal law for receiving funds for the
 2.35 programs under Title IV-A and Title IV-D of the Social Security Act, United States Code,
 2.36 title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

3.1 ~~(i)~~ (h) The commissioner of human services is authorized to establish a special
3.2 revenue fund account to receive the federal collections fees collected under paragraph (c)
3.3 and cost recovery fees collected under ~~paragraphs~~ paragraph (d) ~~and (e)~~. A portion of the
3.4 nonfederal share of these fees may be retained for expenditures necessary to administer
3.5 the fees and must be transferred to the child support system special revenue account. The
3.6 remaining nonfederal share of the federal collections fees and cost recovery fees must be
3.7 retained by the commissioner and dedicated to the child support general fund county
3.8 performance-based grant account authorized under sections 256.979 and 256.9791.