OFFICE OF RECOVERY SERVICES FEE	
2006 GENERAL SESSION	
	STATE OF UTAH
	Chief Sponsor: Aaron Tilton
	Senate Sponsor:
LONG T	ITLE
General	Description:
Tł	his bill requires the Office of Recovery Services to establish fees to cover the costs of
administering the child support program.	
Highlighted Provisions:	
Tł	nis bill:
•	requires every decree of divorce to include a provision assigning the fee when one
or both of the parties are receiving child support services; and	
 amends the definition of child support to include fees. 	
Monies A	appropriated in this Bill:
N	one
Other Sp	ecial Clauses:
None	
Utah Coo	le Sections Affected:
AMEND	5:
30	-3-5 , as last amended by Chapter 129, Laws of Utah 2005
62	A-11-104, as last amended by Chapters 90 and 176, Laws of Utah 2003
62	A-11-304.2, as last amended by Chapter 60, Laws of Utah 2002
62	A-11-401, as last amended by Chapter 161, Laws of Utah 2000
78	3-45-2, as last amended by Chapters 161 and 186, Laws of Utah 2000
ENACTS	:

	62A-11-304.6, Utah Code Annotated 1953	
	Be it enacted by the Legislature of the state of Utah:	
	Section 1. Section 30-3-5 is amended to read:	
,	30-3-5. Disposition of property Maintenance and health care of parties and	
	children Division of debts Court to have continuing jurisdiction Custody and	
	parent-time Determination of alimony Nonmeritorious petition for modification.	
	(1) When a decree of divorce is rendered, the court may include in it equitable orders	
)	relating to the children, property, debts or obligations, and parties. The court shall include the	
7	following in every decree of divorce:	
3	(a) an order assigning responsibility for the payment of reasonable and necessary	
)	medical and dental expenses of the dependent children;	
)	(b) if coverage is or becomes available at a reasonable cost, an order requiring the	
l	purchase and maintenance of appropriate health, hospital, and dental care insurance for the	
2	dependent children;	
3	(c) pursuant to Section 15-4-6.5:	
ł	(i) an order specifying which party is responsible for the payment of joint debts,	
5	obligations, or liabilities of the parties contracted or incurred during marriage;	
6	(ii) an order requiring the parties to notify respective creditors or obligees, regarding	
7	the court's division of debts, obligations, or liabilities and regarding the parties' separate,	
3	current addresses; and	
)	(iii) provisions for the enforcement of these orders; [and]	
)	(d) provisions for income withholding in accordance with Title 62A, Chapter 11,	
[Recovery Services[,]; and	
2	(e) provisions to include fees pursuant to Section 62A-11-304.6 as part of the support	
3	order when one or both parties are receiving child support services as defined in Subsection	
ŀ	<u>62A-11-103(2).</u>	
5	(2) The court may include, in an order determining child support, an order assigning	
6	financial responsibility for all or a portion of child care expenses incurred on behalf of the	
7	dependent children, necessitated by the employment or training of the custodial parent. If the	
	court determines that the circumstances are appropriate and that the dependent children would	

59 be adequately cared for, it may include an order allowing the noncustodial parent to provide

60 child care for the dependent children, necessitated by the employment or training of the61 custodial parent.

62 (3) The court has continuing jurisdiction to make subsequent changes or new orders for
63 the custody of the children and their support, maintenance, health, and dental care, and for
64 distribution of the property and obligations for debts as is reasonable and necessary.

65 (4) Child support, custody, visitation, and other matters related to children born to the
66 mother and father after entry of the decree of divorce may be added to the decree by
67 modification.

(5) (a) In determining parent-time rights of parents and visitation rights of grandparents
and other members of the immediate family, the court shall consider the best interest of the
child.

(b) Upon a specific finding by the court of the need for peace officer enforcement, the
court may include in an order establishing a parent-time or visitation schedule a provision,
among other things, authorizing any peace officer to enforce a court-ordered parent-time or
visitation schedule entered under this chapter.

(6) If a petition for modification of child custody or parent-time provisions of a court
order is made and denied, the court shall order the petitioner to pay the reasonable attorneys'
fees expended by the prevailing party in that action, if the court determines that the petition
was without merit and not asserted or defended against in good faith.

(7) If a petition alleges noncompliance with a parent-time order by a parent, or a
visitation order by a grandparent or other member of the immediate family where a visitation or
parent-time right has been previously granted by the court, the court may award to the
prevailing party costs, including actual attorney fees and court costs incurred by the prevailing
party because of the other party's failure to provide or exercise court-ordered visitation or
parent-time.

- 85 (8) (a) The court shall consider at least the following factors in determining alimony:
- 86 (i) the financial condition and needs of the recipient spouse;
- 87 (ii) the recipient's earning capacity or ability to produce income;
- 88 (iii) the ability of the payor spouse to provide support;
- 89 (iv) the length of the marriage;

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90 (v) whether the recipient spouse has custody of minor children requiring support;
91 (vi) whether the recipient spouse worked in a business owned or operated by the payor
92 spouse; and

(vii) whether the recipient spouse directly contributed to any increase in the payor
spouse's skill by paying for education received by the payor spouse or allowing the payor
spouse to attend school during the marriage.

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(b) The court may consider the fault of the parties in determining alimony.

97 (c) As a general rule, the court should look to the standard of living, existing at the 98 time of separation, in determining alimony in accordance with Subsection (8)(a). However, the 99 court shall consider all relevant facts and equitable principles and may, in its discretion, base 100 alimony on the standard of living that existed at the time of trial. In marriages of short 101 duration, when no children have been conceived or born during the marriage, the court may 102 consider the standard of living that existed at the time of the marriage.

103 (d) The court may, under appropriate circumstances, attempt to equalize the parties'104 respective standards of living.

(e) When a marriage of long duration dissolves on the threshold of a major change in
the income of one of the spouses due to the collective efforts of both, that change shall be
considered in dividing the marital property and in determining the amount of alimony. If one
spouse's earning capacity has been greatly enhanced through the efforts of both spouses during
the marriage, the court may make a compensating adjustment in dividing the marital property
and awarding alimony.

(f) In determining alimony when a marriage of short duration dissolves, and no
children have been conceived or born during the marriage, the court may consider restoring
each party to the condition which existed at the time of the marriage.

(g) (i) The court has continuing jurisdiction to make substantive changes and new
orders regarding alimony based on a substantial material change in circumstances not
foreseeable at the time of the divorce.

(ii) The court may not modify alimony or issue a new order for alimony to address
needs of the recipient that did not exist at the time the decree was entered, unless the court
finds extenuating circumstances that justify that action.

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(iii) In determining alimony, the income of any subsequent spouse of the payor may not

121 be considered, except as provided in this Subsection (8).

(A) The court may consider the subsequent spouse's financial ability to share livingexpenses.

(B) The court may consider the income of a subsequent spouse if the court finds thatthe payor's improper conduct justifies that consideration.

(h) Alimony may not be ordered for a duration longer than the number of years that the
 marriage existed unless, at any time prior to termination of alimony, the court finds extenuating
 circumstances that justify the payment of alimony for a longer period of time.

(9) Unless a decree of divorce specifically provides otherwise, any order of the court
that a party pay alimony to a former spouse automatically terminates upon the remarriage or
death of that former spouse. However, if the remarriage is annulled and found to be void ab
initio, payment of alimony shall resume if the party paying alimony is made a party to the
action of annulment and his rights are determined.

(10) Any order of the court that a party pay alimony to a former spouse terminates
upon establishment by the party paying alimony that the former spouse is cohabitating with
another person.

137 Section 2. Section **62A-11-104** is amended to read:

138 **62A-11-104.** Duties of office.

139 The office has the following duties:

140 (1) to provide child support services if:

141 (a) the office has received an application for child support services;

142 (b) the state has provided public assistance; or

(c) a child lives out of the home in the protective custody, temporary custody, orcustody or care of the state;

(2) to carry out the obligations of the department contained in this chapter and in Title
78, Chapters 45, Uniform Civil Liability for Support Act, Chapter [45a,] 45g, Utah Uniform
Parentage Act [on Paternity], and Chapter 45f, Uniform Interstate Family Support Act, for the
purpose of collecting child support;

149 (3) to collect money due the department which could act to offset expenditures by the150 state;

151 (4) to cooperate with the federal government in programs designed to recover health

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152 and social service funds; 153 (5) to collect civil or criminal assessments, fines, fees, amounts awarded as restitution, 154 and reimbursable expenses owed to the state or any of its political subdivisions, if the office 155 has contracted to provide collection services; 156 (6) to implement income withholding for collection of child support in accordance with 157 Part 4, Income Withholding in IV-D Cases, of this chapter; 158 (7) to enter into agreements with financial institutions doing business in the state to 159 develop and operate, in coordination with such financial institutions, a data match system in the 160 manner provided for in Section 62A-11-304.5; 161 (8) to establish and maintain the state case registry in the manner required by the Social 162 Security Act, 42 U.S.C. Sec. 654a, which shall include a record in each case of: 163 (a) the amount of monthly or other periodic support owed under the order, and other 164 amounts, including arrearages, interest, late payment penalties, or fees, due or overdue under 165 the order; 166 (b) any amount described in Subsection (8)(a) that has been collected; 167 (c) the distribution of collected amounts; 168 (d) the birth date of any child for whom the order requires the provision of support; and 169 (e) the amount of any lien imposed with respect to the order pursuant to this part; 170 (9) to contract with the Department of Workforce Services to establish and maintain 171 the new hire registry created under Section 35A-7-103; 172 (10) to determine whether an individual who has applied for or is receiving cash 173 assistance or Medicaid is cooperating in good faith with the office as required by Section 174 62A-11-307.2; 175 (11) to finance any costs incurred from collections, fees, General Fund appropriation, 176 contracts, and federal financial participation; [and] 177 (12) to establish fees pursuant to Section 62A-11-304.6; and 178 [(12)] (13) to provide notice to a noncustodial parent in accordance with Section 179 62A-11-304.4 of the opportunity to contest the accuracy of allegations by a custodial parent of 180 nonpayment of past-due child support, prior to taking action against a noncustodial parent to 181 collect the alleged past-due support. 182 Section 3. Section 62A-11-304.2 is amended to read:

183	62A-11-304.2. Issuance or modification of administrative order Compliance	
184	with court order Authority of office Stipulated agreements Notification	
185	requirements.	
186	(1) Through an adjudicative proceeding the office may issue or modify an	
187	administrative order that:	
188	(a) determines paternity;	
189	(b) determines whether an obligor owes support;	
190	(c) determines temporary orders of child support upon clear and convincing evidence	
191	of paternity in the form of genetic test results or other evidence;	
192	(d) requires an obligor to pay a specific or determinable amount of present and future	
193	support;	
194	(e) determines the amount of past-due support;	
195	(f) orders an obligor who owes past-due support and is obligated to support a child	
196	receiving public assistance to participate in appropriate work activities if the obligor is	
197	unemployed and is not otherwise incapacitated;	
198	(g) imposes a penalty authorized under this chapter;	
199	(h) determines an issue that may be specifically contested under this chapter by a party	
200	who timely files a written request for an adjudicative proceeding with the office; [and]	
201	(i) renews an administrative judgment[,]; and	
202	(j) establishes fees pursuant to Section 62A-11-304.6 as part of the support order when	
203	$\hat{H} \rightarrow [\underline{one \text{ or both parties are receiving}}]$ providing $\leftarrow \hat{H}$ child support services as defined	
203a	in Subsection	
204	<u>62A-11-103(2).</u>	
205	(2) (a) An abstract of a final administrative order issued under this section or a notice	
206	of judgment-lien under Section 62A-11-312.5 may be filed with the clerk of any district court.	
207	(b) Upon a filing under Subsection (2)(a), the clerk of the court shall:	
208	(i) docket the abstract or notice in the judgment docket of the court and note the time of	
209	receipt on the abstract or notice and in the judgment docket; and	
210	(ii) at the request of the office, place a copy of the abstract or notice in the file of a	
211	child support action involving the same parties.	
212	(3) If a judicial order has been issued, the office may not issue an order under	
213	Subsection (1) that is not based on the judicial order, except:	

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214	(a) the office may establish a new obligation in those cases in which the juvenile court	
215	has ordered the parties to meet with the office to determine the support pursuant to Section	
216	78-3a-906; or	
217	(b) the office may issue an order of current support in accordance with the child support	
218	guidelines if the conditions of Subsection 78-45f-207(2)(c) are met.	
219	(4) The office may proceed under this section in the name of this state, another state	
220	under Section 62A-11-305, any department of this state, the office, or the obligee.	
221	(5) The office may accept voluntary acknowledgment of a support obligation and enter	
222	into stipulated agreements providing for the issuance of an administrative order under this part.	
223	(6) The office may act in the name of the obligee in endorsing and cashing any drafts,	
224	checks, money orders, or other negotiable instruments received by the office for support.	
225	(7) The obligor shall, after a notice of agency action has been served on him in	
226	accordance with Section 63-46b-3, keep the office informed of:	
227	(a) his current address;	
228	(b) the name and address of current payors of income;	
229	(c) availability of or access to health insurance coverage; and	
230	(d) applicable health insurance policy information.	
231	Section 4. Section 62A-11-304.6 is enacted to read:	
232	62A-11-304.6. Rulemaking authority Fees Restricted account.	
233	(1) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the	
234	office may enact rules to charge fees necessary to $\hat{H} \rightarrow [fund the state's portion of]$ supplement $\leftarrow \hat{H}$	
234a	the cost of	
235	administering the child support services program. Any fees implemented under this section	
236	shall comply with federal regulations under Part D of Title IV of the Social Security Act, 42	
237	U.S.C. Section 651, et seq.	
238	(2) Fees enacted under Subsection (1) may be charged to:	
239	(a) noncustodial parents:	
240	(b) custodial parents;	
241	(c) legal guardians; and	
242	(d) putative or presumed fathers.	
243	Section 5. Section 62A-11-401 is amended to read:	
244	62A-11-401. Definitions.	

245	As used in this part and in Part 5, Income Withholding in Non IV-D Cases:
246	(1) "Business day" means a day on which state offices are open for regular business.
247	(2) "Child" is defined in Section 62A-11-303.
248	(3) "Child support" means a base child support award as defined in Subsection
249	78-45-2(4), or a financial award for uninsured monthly medical expenses, ordered by a tribunal
250	for the support of a child, including current periodic payments, all arrearages which accrue
251	under an order for current periodic payments, and sum certain judgments awarded for
252	arrearages, medical expenses, $\hat{H} \rightarrow [f]$ and $[f] \leftarrow \hat{H}$ child care costs $\hat{H} \rightarrow [f, f]$ and fees established
252a	under Section
253	$\underline{62A-11-304.6}$ $\leftarrow \hat{H}$. Child support includes obligations ordered by a tribunal for the support of a
254	spouse or former spouse with whom the child resides if the spousal support is collected with
255	the child support.
256	(4) "Child support order" or "support order" means a judgment, decree, or order,
257	whether temporary, final, or subject to modification, issued by a tribunal for child support and
258	related costs and fees, interest and penalties, income withholding, attorneys' fees, and other
259	relief.
260	(5) "Child support services" is defined in Section 62A-11-103.
261	(6) "Delinquent" or "delinquency" means that child support in an amount at least equal
262	to current child support payable for one month is overdue.
263	(7) "Immediate income withholding" means income withholding without regard to
264	whether a delinquency has occurred.
265	(8) "Income" is defined in Section 62A-11-103.
266	(9) "Jurisdiction" means a state or political subdivision of the United States, a territory
267	or possession of the United States, the District of Columbia, the Commonwealth of Puerto
268	Rico, an Indian tribe or tribal organization, or any comparable foreign nation or political
269	subdivision.
270	(10) "Obligee" is defined in Section 62A-11-303.
271	(11) "Obligor" is defined in Section 62A-11-303.
272	(12) "Office" is defined in Section 62A-11-103.
273	(13) "Payor" means an employer or any person who is a source of income to an obligor.
274	Section 6. Section 78-45-2 is amended to read:
275	78-45-2. Definitions.

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As used in this chapter:

277 (1) "Adjusted gross income" means income calculated under Subsection 78-45-7.6(1).

(2) "Administrative agency" means the Office of Recovery Services or the Departmentof Human Services.

(3) "Administrative order" means an order that has been issued by the Office of
Recovery Services, the Department of Human Services, or an administrative agency of another
state or other comparable jurisdiction with similar authority to that of the office.

(4) "Base child support award" means the award that may be ordered and is calculatedusing the guidelines before additions for medical expenses and work-related child care costs.

(5) "Base combined child support obligation table," "child support table," "base child
support obligation table," "low income table," or "table" means the appropriate table in Section
78-45-7.14.

288 (6) "Child" means:

(a) a son or daughter under the age of 18 years who is not otherwise emancipated,
self-supporting, married, or a member of the armed forces of the United States;

(b) a son or daughter over the age of 18 years, while enrolled in high school during the
normal and expected year of graduation and not otherwise emancipated, self-supporting,
married, or a member of the armed forces of the United States; or

(c) a son or daughter of any age who is incapacitated from earning a living and, if ableto provide some financial resources to the family, is not able to support self by own means.

296 (7) "Child support" means a base child support award as defined in [Section 78-45-2] 297 Subsection (4), or a monthly financial award for uninsured medical expenses, ordered by a 298 tribunal for the support of a child, including current periodic payments, all arrearages which 299 accrue under an order for current periodic payments, and sum certain judgments awarded for 300 arrearages, medical expenses, $\hat{\mathbf{H}} \rightarrow$ [f] and [J] $\leftarrow \hat{\mathbf{H}}$ child care costs $\hat{\mathbf{H}} \rightarrow$ [$\frac{1}{2}$ and fees established 300 under Section

301 <u>62A-11-304.6</u>] ←Ĥ .

302 (8) "Child support order" or "support order" means a judgment, decree, or order of a
303 tribunal whether interlocutory or final, whether or not prospectively or retroactively modifiable,
304 whether incidental to a proceeding for divorce, judicial or legal separation, separate
305 maintenance, paternity, guardianship, civil protection, or otherwise which:

306 (a) establishes or modifies child support;

307	(b) reduces child support arrearages to judgment; or
308	(c) establishes child support or registers a child support order under Title 78, Chapter
309	45f, Uniform Interstate Family Support Act.
310	(9) "Child support services" or "IV-D child support services" means services provided
311	pursuant to Part D of Title IV of the Social Security Act, 42 U.S.C. Section 651 et seq.
312	(10) "Court" means the district court or juvenile court.
313	(11) "Guidelines" means the child support guidelines in Sections 78-45-7.2 through
314	78-45-7.21.
315	(12) "Income" means earnings, compensation, or other payment due to an individual,
316	regardless of source, whether denominated as wages, salary, commission, bonus, pay,
317	allowances, contract payment, or otherwise, including severance pay, sick pay, and incentive
318	pay. "Income" includes:
319	(a) all gain derived from capital assets, labor, or both, including profit gained through
320	sale or conversion of capital assets;
321	(b) interest and dividends;
322	(c) periodic payments made under pension or retirement programs or insurance policies
323	of any type;
324	(d) unemployment compensation benefits;
325	(e) workers' compensation benefits; and
326	(f) disability benefits.
327	(13) "Joint physical custody" means the child stays with each parent overnight for more
328	than 30% of the year, and both parents contribute to the expenses of the child in addition to
329	paying child support.
330	(14) "Medical expenses" means health and dental expenses and related insurance costs.
331	(15) "Obligee" means an individual, this state, another state, or another comparable
332	jurisdiction to whom child support is owed or who is entitled to reimbursement of child
333	support or public assistance.
334	(16) "Obligor" means any person owing a duty of support.
335	(17) "Office" means the Office of Recovery Services within the Department of Human
336	Services.
337	(18) "Parent" includes a natural parent, or an adoptive parent.

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338	(19) "Split custody" means that each parent has physical custody of at least one of the	
339	children.	
340	(20) "State" includes any state, territory, possession of the United States, the District of	
341	Columbia, the Commonwealth of Puerto Rico, Native American Tribe, or other comparable	
342	domestic or foreign jurisdiction.	
343	(21) "Third party" means an agency or a person other than the biological or adoptive	
344	parent or a child who provides care, maintenance, and support to a child.	
345	(22) "Tribunal" means the district court, the Department of Human Services, Office of	
346	Recovery Services, or court or administrative agency of any state, territory, possession of the	
347	United States, the District of Columbia, the Commonwealth of Puerto Rico, Native American	
348	Tribe, or other comparable domestic or foreign jurisdiction.	
349	(23) "Work-related child care costs" means reasonable child care costs for up to a	
350	full-time work week or training schedule as necessitated by the employment or training of a	
351	parent under Section 78-45-7.17.	
352	(24) "Worksheets" means the forms used to aid in calculating the base child support	
353	award.	

Legislative Review Note as of 1-20-06 11:03 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note	Office of Recovery Services Fee	27-Jan-06
Bill Number HB0312		12:35 PM

State Impact

This legislation authorizes but does not require the Office of Recovery Services to enact rules to charge fees to replace some or all of the state funding. Total state funding is about \$11.7 million. However, if the Office of Recovery Services decides to replace fees (dedicated credits) for the state portion, approximately two-thirds of such collections would result in a dollar for dollar reduction in federal funds. Dedicated credits may not be used for match.

Individual and Business Impact

If fees were increased, there would be an impact on either custodial or non-custodial parents, legal guardians or the punitive parent.

Office of the Legislative Fiscal Analyst