

**DOMESTIC RELATIONS DEBT**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Brady Brammer**

Senate Sponsor: Daniel Hemmert

Cosponsors: Karen Kwan

Cheryl K. Acton

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**LONG TITLE**

**General Description:**

This bill addresses collections related to domestic relations debt.

**Highlighted Provisions:**

This bill:

- ▶ defines terms; and
- ▶ addresses what a court shall order under certain circumstances for collection of an obligation or alleged obligation to pay past due child support or alimony.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**30-3-3.5**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **30-3-3.5** is enacted to read:

**30-3-3.5. Collection fee for past due child support or alimony.**

(1) As used in this section:

29 (a) "Debtor" means a person obligated or allegedly obligated to pay a domestic  
30 relations debt.

31 (b) "Domestic relations debt" means an obligation or alleged obligation to pay past due  
32 child support or alimony.

33 (2) (a) A court shall order the amounts described in Subsection (2)(b) be paid, if:

34 (i) the court issues a judgment requiring the payment of a domestic relations debt by  
35 the debtor;

36 (ii) imposing a collection fee on the debtor or in relation to the domestic relations debt  
37 is not prohibited or otherwise restricted by another federal or state law; and

38 (iii) the person owed the domestic relations debt has a contingency arrangement with  
39 an attorney to collect the domestic relations debt.

40 (b) If the conditions of Subsection (2)(a) are met, a court shall order payment of:

41 (i) the principal amount due;

42 (ii) applicable interest;

43 (iii) a collection fee equal to the amount provided in the contingency agreement, except  
44 that the collection fee may not exceed the lesser of:

45 (A) the actual amount the person owed the domestic relations debt is required to pay  
46 for collection costs, regardless of whether that amount is a specific dollar amount or a  
47 percentage of the principal amount owed for the domestic relations debt; or

48 (B) 40% of the principal amount owed to the person for the domestic relations debt;

49 (iv) reasonable attorney fees; and

50 (v) costs, if any, related to obtaining the judgment described in Subsection (2)(a)(i).

51 (3) The obligation to pay a collection fee described in Subsection (2)(b)(iii) is incurred  
52 at the time the person owed a domestic relations debt enters into an agreement with an attorney  
53 to collect the domestic relations debt.

54 (4) An obligation to pay a collection fee imposed under this section is in addition to  
55 any obligation to pay reasonable attorney fees that may exist.

56 (5) The Office of Recovery Services may not collect an order issued pursuant to

57 Subsection (2).