

DOMESTIC RELATIONS DEBT

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

Senate Sponsor: Daniel Hemmert

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

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:

(a) "Debtor" means a person obligated or allegedly obligated to pay a domestic



28 relations debt.

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

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

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

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

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

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

39 (i) the principal amount due;

40 (ii) applicable interest;

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

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

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

47 (iv) reasonable attorney fees; and

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

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

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