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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1638

03/09/2015 Authored by Dean, M.,
The bill was read for the first time and referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; discontinuing the child support application fee;
1.3 amending Minnesota Statutes 2014, sections 518A.51; 518A.53, subdivision 4.

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

1.5 Section 1. Minnesota Statutes 2014, 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, or 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 ~~(e)~~ (b) 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 for each case in which services are furnished. This

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

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

2.9 (1) is currently receiving assistance under the state's title IV-A, IV-E foster care, or
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 obligor who has
2.14 applied for such services, upon written notice to the obligor, the public authority must
2.15 charge a cost recovery fee of two percent of the monthly court-ordered child support and
2.16 maintenance obligation. The fee may be collected through income withholding, as well
2.17 as by any other enforcement remedy available to the public authority responsible for
2.18 child support enforcement.

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

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

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

3.1 ~~(h)~~ (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 ~~(e)~~
3.3 (b) and cost recovery fees collected under paragraphs (c) and (d) ~~and (e)~~.

3.4 ~~(i)~~ (i) The nonfederal share of the cost recovery fee revenue must be retained by the
3.5 commissioner and distributed as follows:

3.6 (1) one-half of the revenue must be transferred to the child support system special
3.7 revenue account to support the state's administration of the child support enforcement
3.8 program and its federally mandated automated system;

3.9 (2) an additional portion of the revenue must be transferred to the child support
3.10 system special revenue account for expenditures necessary to administer the fees; and

3.11 (3) the remaining portion of the revenue must be distributed to the counties to aid the
3.12 counties in funding their child support enforcement programs.

3.13 ~~(j)~~ (j) The nonfederal share of the federal collections fees must be distributed to the
3.14 counties to aid them in funding their child support enforcement programs.

3.15 ~~(k)~~ (k) The commissioner of human services shall distribute quarterly any of the
3.16 funds dedicated to the counties under paragraphs (i) and (j) ~~and (k)~~ using the methodology
3.17 specified in section 256.979, subdivision 11. The funds received by the counties must be
3.18 reinvested in the child support enforcement program and the counties must not reduce the
3.19 funding of their child support programs by the amount of the funding distributed.

3.20 Sec. 2. Minnesota Statutes 2014, section 518A.53, subdivision 4, is amended to read:

3.21 Subd. 4. **Collection services.** (a) The commissioner of human services shall prepare
3.22 and make available to the courts a notice of services that explains child support and
3.23 maintenance collection services available through the public authority, including income
3.24 withholding, and the fees for such services. Upon receiving a petition for dissolution of
3.25 marriage or legal separation, the court administrator shall promptly send the notice of
3.26 services to the petitioner and respondent at the addresses stated in the petition.

3.27 (b) Either the obligee or obligor may at any time apply to the public authority for
3.28 either full IV-D services or for income withholding only services.

3.29 (c) For those persons applying for income withholding only services, a monthly
3.30 service fee of \$15 must be charged to the obligor. This fee is in addition to the amount of
3.31 the support order and shall be withheld through income withholding. The public authority
3.32 shall explain the service options in this section to the affected parties and encourage the
3.33 application for full child support collection services.

3.34 (d) If the obligee is not a current recipient of public assistance as defined in section
3.35 256.741, the person who applied for services may at any time choose to terminate either

4.1 full IV-D services or income withholding only services regardless of whether income
4.2 withholding is currently in place. The obligee or obligor may reapply for either full IV-D
4.3 services or income withholding only services at any time. ~~Unless the applicant is a~~
4.4 ~~recipient of public assistance as defined in section 256.741, a \$25 application fee shall be~~
4.5 ~~charged at the time of each application.~~

4.6 (e) When a person terminates IV-D services, if an arrearage for public assistance as
4.7 defined in section 256.741 exists, the public authority may continue income withholding,
4.8 as well as use any other enforcement remedy for the collection of child support, until all
4.9 public assistance arrears are paid in full. Income withholding shall be in an amount equal
4.10 to 20 percent of the support order in effect at the time the services terminated.