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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2466

03/13/2019 Authored by Scott
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to children; modifying calculation of child support; amending Minnesota
1.3 Statutes 2018, sections 518A.32, subdivision 3; 518A.42, subdivision 3; 518A.53,
1.4 subdivision 11; 518A.685.

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

1.6 Section 1. Minnesota Statutes 2018, section 518A.32, subdivision 3, is amended to read:

1.7 Subd. 3. Parent not considered voluntarily unemployed, underemployed, or employed
1.8 on a less than full-time basis. A parent is not considered voluntarily unemployed,
1.9 underemployed, or employed on a less than full-time basis upon a showing by the parent
1.10 that:

1.11 (1) the unemployment, underemployment, or employment on a less than full-time basis
1.12 is temporary and will ultimately lead to an increase in income;

1.13 (2) the unemployment, underemployment, or employment on a less than full-time basis
1.14 represents a bona fide career change that outweighs the adverse effect of that parent's
1.15 diminished income on the child; or

1.16 (3) the unemployment, underemployment, or employment on a less than full-time basis
1.17 is because a parent is physically or mentally incapacitated or due to incarceration, except
1.18 where the reason for incarceration is the parent's nonpayment of support; or

1.19 (4) a governmental agency authorized to determine eligibility for general assistance or
1.20 supplemental social security income has determined that the individual is eligible to receive
1.21 general assistance or supplemental social security income; however, actual income earned
1.22 by the parent may be considered for the purpose of calculating child support.

2.1 Sec. 2. Minnesota Statutes 2018, section 518A.42, subdivision 3, is amended to read:

2.2 Subd. 3. **Exception.** This section does not apply to an obligor who is incarcerated or is
2.3 a recipient of a temporary assistance to a needy family (TANF) cash grant.

2.4 Sec. 3. Minnesota Statutes 2018, section 518A.53, subdivision 11, is amended to read:

2.5 Subd. 11. **Lump-sum payments.** Before transmittal to the obligor of a lump-sum payment
2.6 of \$500 or more including, but not limited to, severance pay, accumulated sick pay, vacation
2.7 pay, bonuses, commissions, or other pay or benefits, a payor of funds:

2.8 (1) who has been served with an order for or notice of income withholding under this
2.9 section shall:

2.10 (i) notify the public authority of the lump-sum payment that is to be paid to the obligor;

2.11 (ii) hold the lump-sum payment for 30 days after the date on which the lump-sum payment
2.12 would otherwise have been paid to the obligor, notwithstanding sections 176.221, 176.225,
2.13 176.521, 181.08, 181.101, 181.11, 181.13, and 181.145; and

2.14 (iii) upon order of the court, and after a showing of past willful nonpayment of support,
2.15 pay any specified amount of the lump-sum payment to the public authority for future support;
2.16 or

2.17 (2) shall pay the lessor of the amount of the lump-sum payment or the total amount of
2.18 the judgment and arrearages upon service by United States mail of a sworn affidavit from
2.19 the public authority or a court order that includes the following information:

2.20 (i) that a judgment entered pursuant to section 548.091, subdivision 1a, exists against
2.21 the obligor, or that other support arrearages exist;

2.22 (ii) the current balance of the judgment or arrearage; and

2.23 (iii) that a portion of the judgment or arrearage remains unpaid.

2.24 ~~The Consumer Credit Protection Act, title 15 of the United States Code, section 1673(b),~~
2.25 ~~does not apply to lump-sum payments.~~

2.26 Sec. 4. Minnesota Statutes 2018, section 518A.685, is amended to read:

2.27 **518A.685 CONSUMER REPORTING AGENCY; REPORTING ARREARS.**

2.28 (a) If a public authority determines that an obligor has not paid the current monthly
2.29 support obligation plus any required arrearage payment for three months, the public authority
2.30 must report this information to a consumer reporting agency.

3.1 (b) Before reporting that an obligor is in arrears for court-ordered child support, the
3.2 public authority must:

3.3 (1) provide written notice to the obligor that the public authority intends to report the
3.4 arrears to a consumer reporting agency; and

3.5 (2) mail the written notice to the obligor's last known mailing address at least 30 days
3.6 before the public authority reports the arrears to a consumer reporting agency.

3.7 (c) The obligor may, within 21 days of receipt of the notice, do the following to prevent
3.8 the public authority from reporting the arrears to a consumer reporting agency:

3.9 (1) pay the arrears in full; or

3.10 (2) request an administrative review. An administrative review is limited to issues of
3.11 mistaken identity, a pending legal action involving the arrears, or an incorrect arrears balance.

3.12 ~~(d) If the public authority has reported that an obligor is in arrears for court-ordered~~
3.13 ~~child support and subsequently determines that the obligor has paid the court-ordered child~~
3.14 ~~support arrears in full, or is paying the current monthly support obligation plus any required~~
3.15 ~~arrearage payment, the public authority must report to the consumer reporting agency that~~
3.16 ~~the obligor is currently paying child support as ordered by the court.~~

3.17 ~~(e)~~ (d) A public authority that reports arrearage information under this section must
3.18 make monthly reports to a consumer reporting agency. The monthly report must be consistent
3.19 with credit reporting industry standards for child support.

3.20 ~~(f)~~ (e) For purposes of this section, "consumer reporting agency" has the meaning given
3.21 in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).