



PRELIMINARY DRAFT
No. 3627

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2006 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 12-17-2-18.5.

Synopsis: Child support arrearage collection fees. Provides that a collection agency that contracts with the child support bureau or a prosecuting attorney may, in addition to the collection of arrearage on a child support order, assess and collect from an obligor all fees, charges, costs, and other expenses as provided under the contract.

Effective: July 1, 2006.



A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-17-2-18.5, AS AMENDED BY P.L.234-2005,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2006]: Sec. 18.5. (a) The bureau shall establish a program to
4 allow a prosecuting attorney with which the bureau has contracted
5 under section 18 of this chapter to contract with a collection agency
6 licensed under IC 25-11 to provide child support enforcement services.

7 (b) The bureau shall:

8 (1) establish a list of approved collection agencies with which a
9 prosecuting attorney may contract under this section;

10 (2) establish requirements for participation in the program
11 established under this section to assure:

12 (A) effective administration of the plan; and

13 (B) compliance with all federal and state statutes, regulations,
14 and rules;

15 (3) update and review the list described in subdivision (1) and
16 forward a copy of the updated list to each prosecuting attorney
17 annually; and

18 (4) preapprove or approve all contracts between a collection
19 agency and a prosecuting attorney.

20 (c) A contract between a prosecuting attorney and a collection
21 agency under this section must include the following provisions:

22 (1) A provision that records of a contractor operated child support
23 enforcement system are subject to inspection and copying to the
24 same extent the records would be subject to inspection and
25 copying if the contractor were a public agency under IC 5-14-3.

26 (2) A provision that records that are provided by a contractor to
27 the prosecuting attorney that relate to compliance by the
28 contractor with the terms of the contract are subject to inspection
29 and copying in accordance with IC 5-14-3.

30 (d) Not later than July 1, 2006, the bureau shall provide the
31 legislative council with a report:



- 1 (1) evaluating the effectiveness of the program established under
 2 this section; and
 3 (2) evaluating the impact of arrearage reductions for child support
 4 orders under which collection agencies have collected under
 5 IC 12-17-2-18(c).
- 6 (e) The bureau is not liable for any costs related to a contract
 7 entered into under this section that are disallowed for reimbursement
 8 by the federal government under the Title IV-D program of the federal
 9 Social Security Act.
- 10 (f) The bureau shall treat costs incurred by a prosecuting attorney
 11 under this section as administrative costs of the prosecuting attorney.
- 12 (g) Contracts between a collection agency licensed under IC 25-11
 13 and the bureau or a prosecuting attorney:
- 14 (1) must:
- 15 (A) be in writing;
- 16 (B) include:
- 17 (i) all fees, charges, and costs, including administrative and
 18 application fees; and
 19 (ii) the right of the bureau or the prosecuting attorney to
 20 cancel the contract at any time;
- 21 (C) require the collection agency, upon the request of the
 22 bureau or the prosecuting attorney, to provide the:
- 23 (i) source of each payment received for arrearage on a child
 24 support order;
- 25 (ii) form of each payment received for arrearage on a child
 26 support order;
- 27 (iii) amount and percentage that is deducted as a fee or a
 28 charge from each payment of arrearage on a child support
 29 order; and
 30 (iv) amount of arrearage owed under a child support order;
 31 and
- 32 (D) be one (1) year renewable contracts; and
- 33 (2) may be negotiable contingency contracts in which a collection
 34 agency may not collect a fee that exceeds fifteen percent (15%)
 35 of the arrearages collected per case.
- 36 **(h) A collection agency that contracts with the bureau or a**
 37 **prosecuting attorney under this section may, in addition to the**
 38 **collection of arrearage on a child support order, assess and collect**
 39 **from an obligor all fees, charges, costs, and other expenses as**
 40 **provided under the terms of the contract described in subsection**
 41 **(g).**

