
PRELIMINARY DRAFT
No. 3664

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2006 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 12-17-2; IC 31-14-11; IC 31-16; IC 31-18-1-8; IC 31-33-1.5-8; IC 33-32-4-5; IC 33-32-4-9.

Synopsis: State central collection unit. Establishes the state central collection unit (unit) within the child support bureau to collect and process noncash child support payments. Requires clerks of court (clerks) to collect and process cash child support payments. Deletes references to "other person" and "other governmental agency" in statutes concerning the unit. Requires a party affected by a child support order to notify the unit or a clerk of an address change. Makes technical corrections. Requires a person using income withholding to provide certain information to the unit. Repeals a provision regarding noncash payments of child support to clerks.

Effective: Upon passage; 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 12-17-2-27 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 27. (a) Each circuit
3 court clerk shall do the following:

4 (1) **Before January 1, 2007**, receive ~~the~~ support money assigned
5 to the state and paid under the terms of a court order in the clerk's
6 jurisdiction and pay the money to the Title IV-D agency within
7 the time limits established by P.L.93-647, as amended, and any
8 related regulations that are promulgated.

9 (2) Maintain all records concerning the payment or nonpayment
10 of support money that have been assigned to the state and transmit
11 the records to the Title IV-D agency upon request.

12 (3) Contract with the Title IV-D agency for the performance and
13 the remuneration for the performance of duties prescribed in this
14 section.

15 **(b) Beginning January 1, 2007, for purposes of subsection (a)(1),**
16 **each circuit court clerk may only accept support money that is paid**
17 **in cash.**

18 SECTION 2. IC 12-17-2-28 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 28. The amounts
20 appropriated for duties performed by prosecuting attorneys, circuit
21 court clerks, or other agents under this chapter shall be distributed
22 directly from the ~~division:~~ **department of child services.**

23 SECTION 3. IC 31-14-11-2 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The court
25 may order either or both parents to pay any reasonable amount for child
26 support after considering all relevant factors, including the following:

27 (1) The financial resources of the custodial parent.

28 (2) The standard of living the child would have enjoyed had the
29 parents been married and remained married to each other.

30 (3) The physical and mental condition of the child.

31 (4) The child's educational needs.



- 1 (5) The financial resources and needs of the noncustodial parent.
 2 (b) The court shall order a custodial parent or third party under
 3 section 9 of this chapter who receives child support to obtain an
 4 account at a financial institution unless:
 5 (1) the custodial parent or third party files a written objection
 6 before a child support order is issued; and
 7 (2) the court finds that good cause exists to exempt the custodial
 8 parent or third party from the account requirement.

9 A custodial parent or third party ordered to obtain an account shall
 10 provide the clerk of the circuit court ~~or other person or entity acting as~~
 11 ~~assignee or trustee for remittance~~ **and the state central collection unit**
 12 with an account number and any other information necessary to transfer
 13 funds to the account.

14 (c) In accordance with its policies, a financial institution may
 15 restrict or deny services to a person ordered to obtain an account under
 16 this section.

17 ~~(d) This section may not be construed to require the clerk of the~~
 18 ~~circuit court to remit child support payments by electronic funds~~
 19 ~~transfer.~~

20 SECTION 4. IC 31-14-11-9 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. The court may order
 22 that support payments be made to any appropriate person. ~~or agency.~~

23 SECTION 5. IC 31-14-11-11 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. **(a) This subsection**
 25 **applies before January 1, 2007.** The court shall require that child
 26 support payments be made through the clerk of the court or the child
 27 support bureau under IC 12-17-2 as trustee for remittance to the person
 28 entitled to receive the payments, unless the court has reasonable
 29 grounds for providing or approving another method of payment.

30 **(b) Beginning January 1, 2007, the court shall require that child**
 31 **support payments:**

- 32 **(1) paid in cash be made through the clerk of the court; and**
 33 **(2) paid by a noncash method be made through the state**
 34 **central collection unit established by IC 31-33-1.5-8;**
 35 **as trustee for remittance to the person entitled to receive the**
 36 **payments.**

37 SECTION 6. IC 31-14-11-15 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. **(a) A party**
 39 **affected by a support order shall inform the clerk and the state**
 40 **central collection unit established by IC 31-33-1.5-8 of any change**
 41 **of address not more than fifteen (15) days after the party's address**
 42 **is changed.**

43 **(b) At the time of the issuance or modification of a support order,**
 44 **the parties affected by the order shall inform the clerk and the state**
 45 **central collection unit established by IC 31-33-1.5-8 of:**

- 46 **(+)** any change of address and any other conditions that may affect



1 the administration of the order;

2 ~~(2)~~ (1) whether any of the parties is receiving or has received
3 assistance under the:

4 (A) federal Aid to Families with Dependent Children program
5 (42 U.S.C. 601 et seq.); or

6 (B) federal Temporary Assistance to Needy Families
7 (TANF) program (45 CFR 265); and

8 ~~(3)~~ (2) the Social Security number of any child affected by the
9 order.

10 The Social Security number required under subdivision ~~(3)~~ (2) shall be
11 kept confidential and used only to carry out the purposes of the Title
12 IV-D program.

13 SECTION 7. IC 31-16-9-1 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) **This subsection**
15 **applies before January 1, 2007.** Upon entering an order for support
16 in:

17 (1) a dissolution of marriage decree under IC 31-15-2;

18 (2) a legal separation decree under IC 31-15-3; or

19 (3) a child support decree under IC 31-16-2;

20 the court shall require that support payments be made through the clerk
21 of the circuit court as trustee for remittance to the person entitled to
22 receive payments, unless the court has reasonable grounds for
23 providing or approving another method of payment.

24 (b) **Beginning January 1, 2007, except as provided in subsection**
25 **(c), upon entering an order for support in:**

26 (1) a dissolution of marriage decree under IC 31-15-2;

27 (2) a legal separation decree under IC 31-15-3; or

28 (3) a child support decree under IC 31-16-2;

29 the court shall require that support payments be made through the
30 clerk of the circuit court or the state central collection unit
31 established by IC 31-33-1.5-8, as trustee for remittance to the
32 person entitled to receive payments, unless the court has
33 reasonable grounds for providing or approving another method of
34 payment.

35 (c) **Beginning January 1, 2007, child support payments that are**
36 **paid in cash must be paid to a clerk of the circuit court, and all**
37 **noncash payments must be paid to the state central collection unit**
38 **established by IC 31-33-1.5-8.**

39 SECTION 8. IC 31-16-9-3 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) **A party affected**
41 **by a support order shall inform the clerk and the state central**
42 **collection unit established by IC 31-33-1.5-8 of any change of**
43 **address not more than fifteen (15) days after the party's address is**
44 **changed.**

45 (b) At the time of the issuance or modification of a support order,
46 the parties affected by the order shall inform the clerk of the court and



1 **the state central collection unit established by IC 31-33-1.5-8 of:**

2 ~~(1)~~ any change of address or other conditions that may affect the
3 administration of the order;

4 ~~(2)~~ (1) whether any of the parties is receiving or has received
5 assistance under the:

6 (A) federal Aid to Families with Dependent Children program
7 (42 U.S.C. 601 et seq.); or

8 (B) **federal Temporary Assistance to Needy Families**
9 **(TANF) program (45 CFR 265);** and

10 ~~(3)~~ (2) the Social Security number of any child affected by the
11 order.

12 The Social Security number required under subdivision ~~(3)~~ (2) shall be
13 kept confidential and used only to carry out the purposes of the Title
14 IV-D program.

15 SECTION 9. IC 31-16-9-4 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. The custodial parent
17 and the noncustodial parent shall furnish the following information to
18 the clerk of the court **and the state central collection unit** at the time
19 of the issuance or modification of a child support order:

20 (1) The parent's Social Security number.

21 (2) The name and address of the parent's employer.

22 SECTION 10. IC 31-16-10-2 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) If the clerk of the
24 court **or the state central collection unit** is notified by the Title IV-D
25 agency or the agency's designee that:

26 (1) the child who is the beneficiary of a support order is receiving
27 assistance under the:

28 (A) federal Aid to Families with Dependent Children program
29 (42 U.S.C. 601 et seq.); or

30 (B) **federal Temporary Assistance to Needy Families**
31 **(TANF) program (45 CFR 265);** and

32 (2) an assignment of support rights in favor of the state is in effect
33 against the person obligated to make child support payments;

34 the clerk of the court **or the state central collection unit established**
35 **by IC 31-33-1.5-8** shall forward the child support payments directly to
36 the Title IV-D agency without further order of the court.

37 (b) The Title IV-D agency shall disburse the payments in
38 accordance with federal regulations governing the Title IV-D program.

39 SECTION 11. IC 31-16-15-1, AS AMENDED BY P.L.234-2005,
40 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 UPON PASSAGE]: Sec. 1. (a) In a proceeding under IC 31-14 or
42 IC 31-16-2 through IC 31-16-12 to establish, modify, or enforce a child
43 support order, the court shall:

44 (1) enter an order for immediate income withholding; and

45 (2) modify any previously issued income withholding order that
46 has not been activated under this chapter to provide for immediate



1 income withholding.

2 (b) The court shall issue the income withholding order to the income
3 payor not later than fifteen (15) calendar days after the court's
4 determination.

5 (c) The income withholding order must order income payors to send
6 to the state central collection unit ~~or other person specified in the~~
7 ~~support order~~ under:

8 (1) IC 31-14-11-11;

9 ~~(2) IC 31-16-4;~~ or

10 ~~(3)~~ (2) IC 31-16-9;

11 the amount of income established by the court for child support at the
12 time the order for child support is established, enforced, or modified.

13 (d) However, the court shall issue an income withholding order that
14 will not become activated except upon the occurrence of the two (2)
15 conditions described in section 2 of this chapter if:

16 (1) the parties submit a written agreement providing for an
17 alternative child support arrangement; or

18 (2) the court determines that good cause exists not to require
19 immediate income withholding.

20 (e) A finding of good cause under subsection (d)(2) must:

21 (1) be written; and

22 (2) include:

23 (A) all reasons why immediate income withholding is not in
24 the best interests of the child; and

25 (B) if the case involves a modification of support, a statement
26 that past support has been timely paid.

27 (f) The income withholding order must contain a statement that if
28 the withholding order is activated, income payors will be ordered to
29 send to the state central collection unit ~~or other person specified in the~~
30 ~~support order~~ under:

31 (1) IC 31-14-11-11;

32 ~~(2) IC 31-16-4;~~ or

33 ~~(3)~~ (2) IC 31-16-9;

34 the amount of income established by the court for child support **and**
35 **any support or maintenance fees or payments as required by**
36 **IC 33-37-5-6.**

37 SECTION 12. IC 31-16-15-4, AS AMENDED BY P.L.234-2005,
38 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 UPON PASSAGE]: Sec. 4. (a) This section applies to the
40 implementation of income withholding under an order issued under
41 sections 1 and 3 of this chapter.

42 (b) If the Title IV-D agency or the court becomes aware that the
43 obligor has an income payor to whom a notice has not been sent under
44 subsection (c) or an income payor to whom notice of delinquent
45 support has not been sent under subsection (c):

46 (1) the Title IV-D agency in a case arising under Title IV-D of the



- 1 federal Social Security Act (42 U.S.C. 651 through 669); or
 2 (2) the court;
 3 shall not later than fifteen (15) calendar days after becoming aware of
 4 an income payor send a written notice to the income payor that the
 5 withholding is binding on the income payor.
 6 (c) The notice to an income payor under this section must contain
 7 a statement of the following:
 8 (1) That the income payor is required to withhold a certain
 9 amount of income from the obligor.
 10 (2) That the total amount to be withheld under court order by the
 11 obligor's income payor from the obligor's income is the sum of:
 12 (A) the obligor's current child support obligation;
 13 (B) an amount to be applied toward the liquidation of any
 14 arrearages; and
 15 (C) an optional fee of two dollars (\$2), which is payable to and
 16 imposed at the option of the income payor, each time the
 17 income payor forwards income to the state central collection
 18 unit; ~~or other person specified in the notice;~~
 19 up to the maximum amount permitted under 15 U.S.C. 1673(b).
 20 (3) That the income payor shall:
 21 (A) forward the withheld income described in subdivision
 22 (2)(A) and (2)(B) to the state central collection unit ~~or other~~
 23 ~~person named in the notice~~ at the same time that the obligor is
 24 paid; and
 25 (B) include a statement identifying:
 26 (i) ~~each the~~ cause number **for each payee;**
 27 (ii) the name of each obligor; ~~and~~
 28 (iii) the name of each payee with the withheld income
 29 forwarded by the income payor;
 30 **(iv) the Social Security number of each obligor; and**
 31 **(v) the Indiana support enforcement tracking system**
 32 **(ISETS) number for each payee.**
 33 (4) That withholding is binding upon the income payor until
 34 further notice from a Title IV-D agency.
 35 (5) That the obligor may recover from the income payor in a civil
 36 action an amount not less than one hundred dollars (\$100) if the
 37 income payor:
 38 (A) discharges the obligor from employment;
 39 (B) refuses the obligor employment; or
 40 (C) disciplines the obligor;
 41 solely because the income payor is required to forward income
 42 under this chapter.
 43 (6) That the income payor is liable for any amount that the income
 44 payor fails to forward under this chapter.
 45 (7) That withholding under this chapter has priority over any
 46 secured or unsecured claim on income except claims for federal,



- 1 state, and local taxes.
- 2 (8) That, if the income payor is required to withhold income from
- 3 more than one (1) obligor, the income payor may:
- 4 (A) combine in a single payment the withheld amounts for all
- 5 obligors who have been ordered to pay the state central
- 6 collection unit; ~~or other governmental agency~~; and
- 7 (B) separately identify the part of the single payment that is
- 8 attributable to each individual obligor.
- 9 (9) That if:
- 10 (A) there is more than one (1) order for withholding against a
- 11 single obligor; and
- 12 (B) the obligor has insufficient disposable earnings to pay the
- 13 amount required by all the orders;
- 14 the income payor shall distribute the withheld earnings pro rata
- 15 among the entities entitled to receive earnings under the orders,
- 16 giving priority to a current support withholding order. The income
- 17 payor shall honor all withholdings to the extent that the total
- 18 amount withheld does not exceed the limits imposed under 15
- 19 U.S.C. 1673(b).
- 20 (10) That the income payor shall implement withholding not later
- 21 than the first pay date after fourteen (14) days following the date
- 22 the notice was received.
- 23 (11) That the income payor shall:
- 24 (A) notify:
- 25 (i) the Title IV-D agency if the Title IV-D agency gives the
- 26 notice under this section; or
- 27 (ii) the court if the court gives the notice under this section;
- 28 when the obligor ceases employment or no longer receives
- 29 income not later than ten (10) days after the employment or
- 30 income ceases; and
- 31 (B) provide:
- 32 (i) the obligor's last known address; and
- 33 (ii) the name and address of the obligor's new income payor,
- 34 if known.
- 35 SECTION 13. IC 31-16-15-7, AS AMENDED BY P.L.234-2005,
- 36 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 37 UPON PASSAGE]: Sec. 7. (a) Whenever an income withholding order
- 38 is to be:
- 39 (1) activated in a case arising under section 5 of this chapter; or
- 40 (2) implemented by a Title IV-D agency under section 3 of this
- 41 chapter despite the absence of a withholding order in the support
- 42 order;
- 43 the Title IV-D agency shall send a written notice to the obligor.
- 44 (b) The notice required under subsection (a) must contain a
- 45 statement of the following:
- 46 (1) Whether the obligor is delinquent in the payment of child



- 1 support.
- 2 (2) The amount of child support, if any, that the obligor is in
- 3 arrears.
- 4 (3) That a certain amount of income is to be:
- 5 (A) withheld under court order or action by the Title IV-D
- 6 agency from the obligor's income; and
- 7 (B) forwarded to the state central collection unit ~~or other~~
- 8 ~~person named in the notice:~~ **with a statement identifying:**
- 9 **(i) the cause number for each payee;**
- 10 **(ii) the name of each obligor;**
- 11 **(iii) the name of each payee with the withheld income**
- 12 **forwarded by the income payor;**
- 13 **(iv) the Social Security number of each obligor; and**
- 14 **(v) the Indiana support enforcement tracking system**
- 15 **(ISETS) number for each payee.**
- 16 (4) That the total amount to be withheld under court order or
- 17 action by the Title IV-D agency by the obligor's income payor
- 18 from the obligor's income is the sum of:
- 19 (A) the obligor's current monthly child support obligation;
- 20 (B) an amount to be applied toward the liquidation of any
- 21 arrearages; and
- 22 (C) an optional fee of two dollars (\$2), which is payable to and
- 23 imposed at the option of the income payor, each time the
- 24 income payor forwards income to the ~~clerk of the court or~~
- 25 ~~other person specified in the notice~~ **state central collection**
- 26 **unit established by IC 31-33-1.5-8** to the income payor under
- 27 this chapter;
- 28 up to the maximum amount permitted under 15 U.S.C. 1673(b).
- 29 (5) That the provision for withholding applies to the receipt of any
- 30 current or subsequent income.
- 31 (6) That the only basis for contesting activation of income
- 32 withholding is a mistake of fact.
- 33 (7) That an obligor may contest the Title IV-D agency's
- 34 determination to activate income withholding by making written
- 35 application to the Title IV-D agency not later than twenty (20)
- 36 days after the date the notice is mailed.
- 37 (8) That if the obligor contests the Title IV-D agency's
- 38 determination to activate the income withholding order, the Title
- 39 IV-D agency shall schedule an administrative hearing.
- 40 (9) That if the obligor does not contest the Title IV-D agency's
- 41 determination to activate the income withholding order, the Title
- 42 IV-D agency will activate income withholding.
- 43 (10) That income withholding will continue until a court or the
- 44 Title IV-D agency terminates activation of income withholding.
- 45 SECTION 14. IC 31-16-15-8, AS AMENDED BY P.L.234-2005,
- 46 SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 UPON PASSAGE]: Sec. 8. (a) If a petition to activate an income
 2 withholding order is filed under section 6(2) or 6(3) of this chapter, the
 3 court shall set a date for a hearing on the petition that is not later than
 4 twenty (20) days after the date the petition is filed. The court shall send
 5 a summons and a written notice to the obligor. The notice must contain
 6 a statement of the following:

7 (1) Whether the obligor is delinquent in the payment of child
 8 support.

9 (2) The amount of child support, if any, that the obligor is in
 10 arrears.

11 (3) That a certain amount for the payment of current and past due
 12 child support is to be withheld each month from the obligor's
 13 income and forwarded to the state central collection unit
 14 **established by IC 31-33-1.5-8.** ~~or other person named in the~~
 15 ~~notice.~~

16 (4) That the total amount to be withheld each month by the
 17 obligor's income payor from the obligor's income is the sum of:

18 (A) the obligor's current monthly child support obligation;

19 (B) an amount to be applied toward the liquidation of any
 20 arrearages; and

21 (C) an optional fee of two dollars (\$2), which is payable to and
 22 imposed at the option of the income payor, each time the
 23 income payor forwards income to the state central collection
 24 unit **established by IC 31-33-1.5-8;** ~~or other person named in~~
 25 ~~the notice;~~

26 up to the maximum amount permitted under 15 U.S.C. 1673(b).

27 (5) That the provision for withholding applies to receipt of any
 28 current or subsequent income.

29 (6) That any of the following constitutes a basis for contesting the
 30 withholding:

31 (A) A mistake of fact.

32 (B) The parties have submitted a written agreement providing
 33 for an alternative child support arrangement.

34 (C) A court determines that good cause exists not to require
 35 immediate income withholding.

36 (7) That income withholding will continue until the activation of
 37 the income withholding order is terminated by the court.

38 (8) That if the obligor does not appear at the hearing, the court
 39 will activate the income withholding order.

40 (b) If:

41 (1) the obligor does not appear at the hearing on the petition filed
 42 under section 6(2) or 6(3) of this chapter; or

43 (2) the court grants the petition;

44 the court shall activate the income withholding order by mailing a
 45 written notice to the income payor as provided in section 10 of this
 46 chapter.



1 SECTION 15. IC 31-16-15-10, AS AMENDED BY P.L.234-2005,
 2 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 10. (a) To activate or implement an income
 4 withholding order, in addition to the notice requirements imposed by
 5 sections 7 and 8 of this chapter:

6 (1) the Title IV-D agency in a case arising under section 3 or 5 of
 7 this chapter; or

8 (2) the court in a case arising under section 6 of this chapter;
 9 shall mail a written notice to each income payor not later than fifteen
 10 (15) calendar days after the issuance of the income withholding order.

11 (b) The notice to each income payor must contain a statement of the
 12 following:

13 (1) That the income payor is required to withhold a certain
 14 amount of income from the obligor.

15 (2) That the total amount to be withheld each month by the
 16 obligor's income payor from the obligor's income is the sum of:

17 (A) the obligor's current monthly child support obligation;

18 (B) an amount to be applied toward the liquidation of any
 19 arrearages; and

20 (C) an optional fee of two dollars (\$2), which is payable to and
 21 imposed at the option of the income payor, each time the
 22 income payor forwards income to the state central collection
 23 unit; ~~or other person named in the notice;~~

24 up to the maximum amount permitted under 15 U.S.C. 1673(b).

25 (3) That the income payor shall:

26 (A) forward the withheld income described in subdivision
 27 (2)(A) and (2)(B) to the state central collection unit ~~or other~~
 28 ~~person named in the notice~~ at the same time that the obligor is
 29 paid; and

30 (B) include a statement identifying:

31 (i) ~~each the~~ cause number **for each payee;**

32 (ii) the Indiana support enforcement tracking system
 33 (ISETS) case number **for each payee;**

34 (iii) the name of each obligor;

35 (iv) the name of each payee with the withheld income
 36 forwarded by the income payor; and

37 (v) the ~~obligor's~~ Social Security number **of each obligor.**

38 (4) That withholding is binding upon the income payor until
 39 further notice.

40 (5) That the obligor may recover from the income payor in a civil
 41 action an amount not less than one hundred dollars (\$100) if the
 42 income payor:

43 (A) discharges the obligor from employment;

44 (B) refuses the obligor employment; or

45 (C) disciplines the obligor;

46 because the income payor is required to forward income under



- 1 this chapter.
- 2 (6) That the income payor is liable for any amount that the income
- 3 payor fails to forward under this chapter.
- 4 (7) That withholding under this chapter has priority over any
- 5 secured or unsecured claim on income except claims for federal,
- 6 state, and local taxes.
- 7 (8) That, if the income payor is required to withhold income from
- 8 more than one (1) obligor, the income payor may:
- 9 (A) combine in a single payment the withheld amounts for all
- 10 obligors who have been ordered to pay the state central
- 11 collection unit; ~~or other governmental agency~~; and
- 12 (B) separately identify the part of the single payment that is
- 13 attributable to each individual obligor.
- 14 (9) That if:
- 15 (A) there is more than one (1) order for withholding against a
- 16 single obligor; and
- 17 (B) the obligor has insufficient disposable earnings to pay the
- 18 amount required by all the orders;
- 19 the income payor shall distribute the withheld earnings pro rata
- 20 among the entities entitled to receive earnings under the orders,
- 21 giving priority to a current support withholding order, and shall
- 22 honor all withholdings to the extent that the total amount withheld
- 23 does not exceed the limits imposed under 15 U.S.C. 1673(b).
- 24 (10) That the income payor shall implement withholding not later
- 25 than the first pay date after fourteen (14) days following the date
- 26 the notice was received.
- 27 (11) That the income payor shall:
- 28 (A) notify:
- 29 (i) the Title IV-D agency in a case arising under section 5 of
- 30 this chapter; or
- 31 (ii) the court in a case arising under section 1 or 6 of this
- 32 chapter;
- 33 when the obligor terminates employment or ceases to receive
- 34 other income not later than ten (10) days after termination; and
- 35 (B) provide:
- 36 (i) the obligor's last known address; and
- 37 (ii) the name and address of the obligor's new income payor
- 38 if known.
- 39 SECTION 16. IC 31-16-15-15, AS AMENDED BY P.L.234-2005,
- 40 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 41 UPON PASSAGE]: Sec. 15. (a) An income payor that is required to
- 42 withhold income under this chapter shall:
- 43 (1) forward income withheld for the payment of current and past
- 44 due child support to the state central collection unit **established**
- 45 **by IC 31-33-1.5-8 or other person named in the notice** at the
- 46 same time that the obligor is paid;



- 1 (2) include a statement identifying:
 2 (A) ~~each the~~ cause number **for each payee**;
 3 (B) the Indiana support enforcement tracking system (ISETS)
 4 case number **for each payee**;
 5 (C) the name of each obligor and the obligor's Social Security
 6 number; and
 7 (D) the name of each payee with the withheld income
 8 forwarded by the income payor; and
 9 (3) implement withholding not later than the first pay date after
 10 fourteen (14) days following the date the notice was received.

11 (b) The income payor may retain, in addition to the amount required
 12 to be forwarded to the state central collection unit under subsection (a),
 13 a fee of two dollars (\$2) from the obligor's income each time the
 14 income payor forwards income to the state central collection unit. ~~or~~
 15 ~~other person specified in the notice to an income payor under this~~
 16 ~~chapter.~~ If the income payor elects to withhold the fee, the amount to
 17 be withheld for the payment of current and past due child support must
 18 be reduced accordingly if necessary to avoid exceeding the maximum
 19 amount permitted to be withheld under 15 U.S.C. 1673(b).

20 SECTION 17. IC 31-16-15-16, AS AMENDED BY P.L.234-2005,
 21 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 16. (a) Except as provided in subsection (b),
 23 if the income payor is required to withhold income from more than one
 24 (1) obligor under this chapter, the income payor may:

- 25 (1) combine in a single payment the withheld amounts for all
 26 obligors who have been ordered to pay to the state central
 27 collection unit **established by IC 31-33-1.5-8**; ~~or other~~
 28 ~~governmental agency~~; and
 29 (2) separately identify the part of the single payment that is
 30 attributable to each individual obligor.

31 (b) If the income payor:
 32 (1) is required to withhold income from more than one (1) obligor
 33 under this chapter; and
 34 (2) employs more than fifty (50) employees;

35 the income payor shall make payments to the state central collection
 36 unit **established by IC 31-33-1.5-8** through electronic funds transfer
 37 or through electronic or Internet access made available by the state
 38 central collection unit.

39 (c) The department of child services shall assess a civil penalty of
 40 twenty-five dollars (\$25) per obligor per pay period against an income
 41 payor that:

- 42 (1) is required to make a payment under subsection (b); and
 43 (2) does not make the payment through electronic funds transfer
 44 or other means described in subsection (b).

45 The department shall deposit the penalties into the state general fund.

46 SECTION 18. IC 31-16-15-20 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 20. **(a) This subsection**
 2 **applies before January 1, 2007.** The clerk of the court shall:

- 3 (1) pay the income forwarded by the income payor to the person
 4 entitled to receive child support payments; and
 5 (2) maintain records to monitor and document the receipt and
 6 payment of income under this chapter.

7 **(b) Beginning January 1, 2007, the clerk of the court, for cash**
 8 **payments, and the state central collection unit, for noncash**
 9 **payments, shall:**

- 10 **(1) pay the income forwarded by the income payor to the**
 11 **person entitled to receive child support payments; and**
 12 **(2) maintain records to monitor and document the receipt and**
 13 **payment of income under this chapter.**

14 SECTION 19. IC 31-16-19-1 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) If:

- 16 (1) an individual, by the terms of a court order or decree, is
 17 ordered to pay support money to or for the dependent wife,
 18 husband, father, ~~or~~ mother ~~or~~ child of the individual; and
 19 (2) the:

- 20 (A) dependents are being supported in whole or in part by
 21 public money; or
 22 (B) parent of the dependents has sought the assistance of the
 23 agency designated to administer Title IV-D of the federal
 24 Social Security Act (42 U.S.C. 651 through 669);

25 the court shall order that the payment of the support money be made to
 26 the clerk of the circuit court of the county in which the decree or order
 27 is entered.

28 (b) If the support order is for a child:

- 29 (1) who qualifies for assistance under IC 12-14-1-1; or
 30 (2) whose parent has sought the assistance of the agency
 31 designated to administer Title IV-D of the federal Social Security
 32 Act (42 U.S.C. 651 through 669);

33 the court shall order that the payment of the support be made to the
 34 agency of state government designated to administer Title IV-D of the
 35 federal Social Security Act (42 U.S.C. 651 through 669) in compliance
 36 with the federal regulations established for the administration of Title
 37 IV-D of the federal Social Security Act (42 U.S.C. 651 through 669).

38 (c) The order must contain:

- 39 (1) the date when the first support payment is to be made; and
 40 (2) the frequency of the payments.

41 SECTION 20. IC 31-16-19-2 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. If the court enters a
 43 decree or an order under ~~section 1~~ **section 1(a)** of this chapter, the clerk
 44 shall:

- 45 (1) immediately set up an appropriate account system in the case;
 46 and



1 (2) maintain a continuous record of the payments to each account.
 2 SECTION 21. IC 31-18-1-8 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. "Income withholding
 4 order" means an order or other legal process directed to an obligor's
 5 income payor to withhold:

6 (1) support; and
 7 (2) **support fees and maintenance fees as described in**
 8 **IC 33-37-5-6;**
 9 from the income of the obligor.

10 SECTION 22. IC 31-33-1.5-8, AS ADDED BY P.L.234-2005,
 11 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 8. (a) The child support bureau is created
 13 within the department of child services. The bureau is charged with the
 14 administration of Title IV-D of the federal Social Security Act.

15 (b) The state's plan for the administration of Title IV-D must comply
 16 with all provisions of state law and with the federal statutes and
 17 regulations governing the program.

18 (c) **The state central collection unit is established within the**
 19 **child support bureau. The unit shall collect all noncash child**
 20 **support payments and process child support paid through income**
 21 **withholding.**

22 SECTION 23. IC 33-32-4-5 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The clerk is not
 24 personally liable or liable in the clerk's official capacity on the clerk's
 25 official bond for funds received if the clerk:

26 (1) through error or in accordance with the best information
 27 available to the clerk, disbursed the funds to a person the clerk
 28 reasonably believed to be entitled to receive the funds and to
 29 comply with a:

30 (A) child support order; or
 31 (B) garnishment order;

32 (2) inappropriately disbursed or misapplied child support funds,
 33 arising without the knowledge or approval of the clerk, that
 34 resulted from:

35 (A) an action by an employee of, or a consultant to, the
 36 ~~division of family and children;~~ **department of child services**
 37 **or the Title IV-D agency;**

38 (B) an ISETS technological error; or

39 (C) information generated by ISETS;

40 (3) disbursed funds that the clerk reasonably believed were
 41 available for disbursement but that were not actually available for
 42 disbursement;

43 (4) disbursed child support funds paid to the clerk by a personal
 44 check that was later dishonored by a financial institution; and

45 (5) did not commit a criminal offense as a part of the
 46 disbursement.



1 SECTION 24. IC 33-32-4-9 IS REPEALED [EFFECTIVE JULY 1,
2 2006].
3 SECTION 25. **An emergency is declared for this act.**

