



# Oregon Department of Justice

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## Division of Child Support

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### TESTIMONY ON HOUSE BILL 3159 For the House Judiciary Committee March 16, 2015

#### Presented by:

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This testimony is presented in support of House Bill 3159, with committee amendments.

#### How This Bill Changes Current Law

House Bill 3159 amends ORS 25.125(5) to permit Oregon to recover from anyone who issues a check as payment for child support when that check is dishonored after it is disbursed. Current law restricts recovery to the child support debtor or an employer that made the dishonored payment. The measure allows a state debt to also be established against another issuer who presented a check that is dishonored after being disbursed, such as a relative who sends a personal check. The measure clarifies that the debt may be established against the parent who received credit for the payment, the employer who withheld wages and remitted the check, or another person or entity that issued the check. Minor amendments are necessary to more effectively accomplish the intent behind this bill. The Department of Justice supports the amendments the committee requested on the Department's behalf.

#### Key Points of Legislation

- Makes a third party who issues a check for child support liable for a state debt if that check is dishonored.
- Allows a state debt to be created against one of the following:
  - the parent who received credit for the check,
  - the employer who withheld and presented the check,
  - another issuer who presented a check.
- Enables the state to rescind a state debt established against an issuer and establish the debt against the parent who received credit (or vice versa) when necessary to enable recovery,

such as when:

- the check was presented by a withholding employer that is now defunct, or
- the check was issued by third party who is now deceased.

**Fiscal Impact**

There is no fiscal impact from this bill.

**Fiscal Benefits**

This bill is expected to increase the recoveries of state debt resulting from checks presented for support payments that are dishonored after the payment has been disbursed.

**Recommended Action**

The Department of Justice recommends committee approval of House Bill 3156 because it will enable the State to recover on dishonored payments from third parties who remit payments that are dishonored.