

STAFF MEASURE SUMMARY

Senate Committee On Judiciary

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 04/28/15

Action: Do Pass The A-Eng Bill.

Meeting Dates: 04/28

Vote:

Yeas: 5 - Burdick, Gelser, Kruse, Prozanski, Thatcher

Prepared By: Channa Newell, Counsel

WHAT THE MEASURE DOES:

Specifies that when debt is created by presentation of dishonored check on behalf of obligor, amount of money specified on check is owed by all. Clarifies that state may collect in any circumstance from obligor, but only from withholder or other issuer if that party presented the check.

ISSUES DISCUSSED:

- Department of Justice (DOJ) required to disburse funds within two days of receiving child support payment
- Up to 20 percent of checks received by DOJ for child support obligations are later dishonored
- Currently may recover from obligor or employer if employer issued check
- Measure allows recovery from third party who issued check to DOJ for another's obligation

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Oregon Revised Statute Chapter 25 outlines the support enforcement authority of the state. When an obligor owes child support, the obligor may give the Department of Justice (DOJ) a check, which the DOJ then transmits to the obligee. If that check is dishonored, a debt is created. DOJ may attempt to collect the debt from the obligor, or if the check was issued by the employer of the obligor, then it may pursue collection from the employer.

House Bill 3159 A specifies that if a third party presents a child support check to DOJ on behalf of the obligor, and the check is dishonored, then DOJ is entitled to collect from the person who presented the check.