

**SB 509 -2 STAFF MEASURE SUMMARY**

**Senate Committee On Judiciary**

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**Prepared By:** Whitney Perez, Counsel

**Meeting Dates:** 4/10

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**WHAT THE MEASURE DOES:**

Requires Oregon Department of Justice's Child Support Division ("Division") to adopt rules to: 1) require applying child or spousal support payments to principal and interest due and owing on such obligations and arrears in any sequence consistent with federal law, 2) permit the Division to override a debtor's designation of a particular support debt to which the child or spousal support is applied, and 3) exempt the Child Support Program from applying any rule that requires a distribution that is contrary to federal law or division rule.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-2 Replaces measure. Requires Division to adopt rules to: 1) require distribution of payments to child, medical or spousal support obligations and arrears in any sequence consistent with federal law; 2) permit the Division to develop criteria for when it may override the debtors's designation of particular support debt to which the payment of child or spousal support is applied; and 3) provide the manner in which payments of child, medical or spousal support must be applied to principal and interest that is due and owing on such obligations and arrears, regardless of any laws to the contrary.

No revenue impact

No fiscal impact

**BACKGROUND:**

The Department of Justice Child Support Program ("Program"), in partnership with county District Attorney's Offices, oversees services and supports that involve over 450,000 parents and their children.

In some cases, other administrative rules applicable to state debt collection may have a difference sequence of payment than child, medical or spousal payment. Senate Bill 509 allows for the Program, by rule, to determine payments for child, medical and spousal support, regardless of other administrative rules. The measure also allows the Program to prioritize payment to principal and minimize interest accruals and balances, which the Program notes increases the chance that arrears will be voluntarily paid.