

**SB 517 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Prozanski

**Senate Committee On Judiciary**

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**Action Date:** 02/22/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 4-0-1-0

**Yeas:** 4 - Linthicum, Manning Jr, Prozanski, Thatcher

**Exc:** 1 - Dembrow

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Channa Newell, Counsel

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**WHAT THE MEASURE DOES:**

Removes requirement to apply credit for support payments made outside of Division of Child Support to amounts owed State. Limits credit for payments made outside of Division to current balance owed to obligee when payments are not assigned to State. Allows rule making by Department of Justice on crediting of support payments.

**ISSUES DISCUSSED:**

- Majority of child support payments made and disbursed through income withholding
- In cases in which State has provided assistance to families, portion of assistance recovered through child support process
- Occasionally, payments are made outside of Division's disbursement process
- Current law requires payments made outside of disbursement process be credited to amounts owed state or credited to account of obligee
- Potential for fraud
- Manual processing of credits to obligee account is inefficient and time consuming for Division

**EFFECT OF AMENDMENT:**

Replaces measure. Removes requirement to apply credits for payments made outside of Division of Child Support to amounts owed State. Limits credit for payments made outside of Division to current balance owed to obligee when payments are not assigned to State. Allows rule making by Department of Justice on crediting of support payments.

**BACKGROUND:**

The Division of Child Support is a division within the Oregon Department of Justice. It is responsible for processing over \$1 million each day in medical and child support of children. Occasionally, payments are made from one party to another outside of the Division's disbursement unit. In some instances, one party may owe money to the State for services, such as temporary cash support to families. Current law requires the Division to credit outside payments to the amounts owed the State if the parties make sworn statements that the payments were made and substantial evidence corroborates the statements. If money is not owed to the State, the outside payment is credited to the account of the obligee, even if there are no arrears or outstanding balance owed by the obligor.

Senate Bill 517 A removes the requirement to credit an outside child support payment to moneys owed to the State. Additionally, the measure limits the amount of credit on payments owed to the obligee to the current balance of the account. The measure also allows the Division to adopt rules relating to crediting payments to accounts.