

SB 363 A STAFF MEASURE SUMMARY**Carrier:** Rep. Stark**House Committee On Judiciary****Action Date:** 05/09/19**Action:** Do Pass the A-Eng bill.**Vote:** 10-0-1-0**Yeas:** 10 - Barker, Bynum, Gorsek, Greenlick, Lewis, McLane, Piluso, Power, Stark, Williamson**Exc:** 1 - Sprenger**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** Addie Smith, Counsel**Meeting Dates:** 4/15, 5/9**WHAT THE MEASURE DOES:**

Allows the Oregon Department of Justice Division of Child Support administrator to suspend enforcement or hold moneys collected for a possible refund, reallocation, or redistribution when there is an action pending to modify, terminate, satisfy, vacate, or set aside a support order and the resolution of the order would result in a payee receiving more money than due. Requires notice to the parties when the administrator suspends enforcement or holds money collected. Provides for an administrative review of the decision to suspend enforcement or hold money collected. Authorizes the Department of Justice to promulgate rules to support this process. Clarifies that payments "sent to," and not "received from" any person or entity create an overpayment or receivable in favor of the state. Provides for an overpayment or receivable whenever the child support program has disbursed money but is later required to make an accounting adjustment in favor of a refund, reallocation, or redistribution. Permits the child support administrator, when agreed to by the obligee, or when consent by default is granted, to recover overpayment by retaining future disbursements. Takes effect 91st day following adjournment sine die; becomes operative January 1, 2020.

ISSUES DISCUSSED:

- Issues with current overpayment procedures
- Provisions of the measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 1975, the Oregon Child Support Program was established under Title IV-D of the Social Security Act. The Program consists of two primary partners, the Oregon Department of Justice Division of Child Support (DCS) and 24 county District Attorney offices. The Department of Justice has had oversight responsibility for the Program since 2003. The program primarily uses administrative processes to establish, modify, and enforce child support orders.

The Division has identified several issues with regard to current law and the issue of overpayments. Statutes provide authority for DCS to suspend enforcement while an action to modify, terminate, satisfy, vacate, or set aside an order is pending and continued collection would result in overpayment to the state or when collection would impair the ability of an obligor who has physical custody of all the children to provide for those children. Statutes do not allow suspension when the result would cause someone to receive more money than owed at the conclusion of the action. Further, under current statutes, the basis for creating the overpayments receivable is "receipt from" a person or entity when the underlying concern is DCS's ability to address overpayments "sent to" a person or entity. Finally, current statutes limit overpayments to specified circumstances that do not encompass

SB 363 A STAFF MEASURE SUMMARY

all situations in which overpayment can occur and do not allow for recoupment of overpayment agreement or by default from, instead currently requiring "voluntary assignment of," future disbursements as federal law permits.

Senate Bill 363 A allows the child support administrator to suspend enforcement or hold moneys collected for a possible refund, reallocation, or redistribution when there is an action pending to modify, terminate, satisfy, vacate, or set aside a support order to avoid overpayment. It also ensures DCS has the ability to collect overpayments sent to a person or entity, allows for the full range of recovery methods for overpayment, and allows for the recoupment of overpayment by retaining future payments either through agreement or by default.