

1 AMENDMENT TO SENATE BILL 44

2 AMENDMENT NO. _____. Amend Senate Bill 44, AS AMENDED, in
3 Section 5, Sec. 2.04, by replacing all of subsections (a-5)
4 and (a-10) with the following:

5 "(a-5) A collection agency may not impose a fee or
6 charge, including costs, for any child support payments
7 collected through the efforts of a federal, State, or local
8 government agency, including but not limited to child support
9 collected from federal or State tax refunds, unemployment
10 insurance benefits, or Social Security benefits.

11 If the obligee has received one or more payments during
12 the twelve months prior to execution of the contract with a
13 collection agency, that collection agency may not impose a
14 fee or charge, including costs, on a current payment of an
15 obligor. In such circumstances, the collection agency shall
16 turn over to the obligee all support collected in a month up
17 to the amount of current support required to be paid for that
18 month.

19 As to any fees or charges, including costs, retained by
20 the collection agency, the agency shall provide documentation
21 to the obligee demonstrating that the child support payments
22 resulted from the actions of the agency.

23 After collection of the total amount of arrearage,
24 including statutory interest, due as of the date of execution

1 of the collection contract, no further fees may be charged.

2 (a-10) The Department of Professional Regulation shall
3 determine a fee rate of not less than 25% but not greater
4 than 35% based upon presentation by the licensees as to costs
5 to provide the service and a fair rate of return. This rate
6 shall be established by Administrative Rule.

7 Without prejudice to the determination by the Department
8 of the appropriate rate through Administrative Rule, a
9 collection agency shall impose a fee of not more than 29% of
10 the amount of child support actually collected by the
11 collection agency subject to the provisions of subsection
12 (a-5). This interim rate is based upon the March 2002 General
13 Accounting Office report, "Child Support Enforcement",
14 GAO-02-349. This rate shall apply until a fee rate is
15 established by Administrative Rule."; and

16 after the last line of Sec. 2.04 in Section 5, by inserting
17 the following:

18 "Section 99. Effective date. This Act takes effect upon
19 becoming law."