

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 777
Second Edition Engrossed 5/29/89

Short Title: Repeal Cost Recovery/Child Support.

(Public)

Sponsors: Senator Marvin.

Referred to: Children and Youth.

April 5, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE THE EFFICIENCY OF THE CHILD SUPPORT
3 ENFORCEMENT PROGRAM BY REPEALING THE COST RECOVERY
4 PROVISIONS REGARDING CHILD SUPPORT SERVICES.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 110-130.1 reads as rewritten:

7 "**§ 110-130.1. Non-AFDC services.**

8 (a) All child support collection and paternity determination services provided
9 under this Article to recipients of public assistance shall be made available to any
10 individual not receiving public assistance in accordance with federal law and as
11 contractually authorized by the nonrecipient, upon proper application and payment of an
12 appropriate nonrefundable application fee. For applicants whose gross household
13 income is equal to or less than two hundred percent (200%) of the then currently
14 established poverty level applicable to the applicant's household size, the application fee
15 shall be five dollars (\$5.00). For applicants whose gross household income exceeds such
16 poverty level, the application fee shall be twenty-five dollars (\$25.00).

17 For purposes of this section, 'household income' means the sum of the gross amount
18 of periodically recurring income which accrues to the members of a collective group of
19 individuals living in one residence consisting of a natural or adoptive parent who has
20 custody of a dependent child or children whose other natural or adoptive parent is
21 absent from the residence, the custodial parent's current spouse, and all other dependent
22 children. 'Household size' means the sum of the persons specified as living in the
23 residence as described above.

1 ~~(b) Except for the application fee, the State shall not recover the costs or fees of~~
2 ~~providing services to a non-AFDC client whose household income is equal to or less~~
3 ~~than two hundred percent (200%) of the federal poverty guidelines.~~

4 ~~(b1) The State shall recover the actual costs of providing services to a non-AFDC~~
5 ~~client whose gross household income exceeds two hundred percent (200%) of the then~~
6 ~~currently established federal poverty level applicable to the client's household size until~~
7 ~~all costs incurred on the client's behalf have been recovered. The rate of accrual of such~~
8 ~~costs shall be computed annually by the Department of Human Resources and disclosed~~
9 ~~at the time of application to the client as an hourly dollar amount for administrative~~
10 ~~services and an hourly dollar amount for attorney's services. Incurred costs may be~~
11 ~~recovered by any or all of the following means:~~

12 ~~(1) A ten percent (10%) deduction from any support received;~~

13 ~~(2) Voluntary payments from either the responsible parent or client;~~

14 ~~(3) Payments by the responsible parent which the court may order, only if~~
15 ~~such payments do not reduce the responsible parent's ability to pay~~
16 ~~current support and arrears.~~

17 ~~The appropriate judicial official shall be informed of the available cost recovery~~
18 ~~methods at the time a support order is sought.~~

19 ~~A client from whom costs can be recovered pursuant to this subsection shall be~~
20 ~~liable for prepayment of any necessary court filing fees and paternity blood testing fees.~~

21 ~~In all cases where ongoing enforcement services are being provided to a client from~~
22 ~~whom costs can be recovered pursuant to this subsection, or in cases in which ongoing~~
23 ~~enforcement services are no longer being provided but for whom costs were incurred~~
24 ~~and can be recovered pursuant to this subsection, or in—In cases in which a public~~
25 ~~assistance debt which accrued pursuant to G.S. 110-135 remains uncovered, support~~
26 ~~payments shall be transmitted to the Department of Human Resources for appropriate~~
27 ~~distribution. When services are terminated and all costs and any public assistance debts~~
28 ~~have been satisfied, the support payment shall be redirected to the client.~~

29 ~~Any costs incurred pursuant to this section shall constitute a debt owed to the State~~
30 ~~by the client. Any costs ordered by the court under subdivision (3) above shall~~
31 ~~constitute a debt owed to the State by the responsible parent. Payment may be~~
32 ~~demande from either or both of them.~~

33 (c) Actions or proceedings to establish or enforce a duty of support initiated
34 under this Article shall be brought in the name of the county or State agency on behalf
35 of the public assistance recipient or nonrecipient client. Collateral disputes between a
36 custodial parent and noncustodial parent, involving visitation, custody and similar
37 issues, shall be considered only in separate proceedings from actions initiated under this
38 Article. The attorney representing the designated representative of programs under Title
39 IV-D of the Social Security Act shall be deemed attorney of record only for proceedings
40 under this Article, and not for such separate proceedings.

41 (d) Any fee imposed by the North Carolina Department of Revenue or the
42 Secretary of the Treasury to cover their costs of withholding for non-AFDC arrearages
43 certified for the collection of past due support from State or federal income tax refunds
44 shall be borne by the client by deducting the fee from the amount collected.

1 Any income tax refund offset amounts which are subsequently determined to have
2 been incorrectly withheld and distributed to a client, and which must be refunded by the
3 State to a responsible parent or the nondebtor spouse, shall constitute a debt to the State
4 owed by the client."

5 Sec. 2. This act is effective upon ratification.