

2011 DRAFTING REQUEST

Bill

Received: **01/18/2012**

Received By: **pkahler**

Wanted: **As time permits**

Companion to LRB:

For: **Scott Krug (608) 266-0215**

By/Representing: **Vince Trovato**

May Contact:

Drafter: **pkahler**

Subject: **Dom. Rel. - child support/maint.
Public Assistance - misc
Tax, Individual - miscellaneous**

Addl. Drafters: **jkreye**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Krug@legis.wi.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Child support enforcement

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 01/18/2012	jdyer 01/30/2012		_____			State
	jkreye 01/18/2012			_____			
	pkahler 01/19/2012			_____			
/P1			jfrantze 01/30/2012	_____	lparisi 01/30/2012		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/03/2012	jdye 02/09/2012	rschluet 02/09/2012	_____	sbasford 02/09/2012	lparisi 02/14/2012	

FE Sent For:

*Att into
02/14/2012*

<END>

2011 DRAFTING REQUEST

Bill

Received: **01/18/2012**

Received By: **pkahler**

Wanted: **As time permits**

Companion to LRB:

For: **Scott Krug (608) 266-0215**

By/Representing: **Vince Trovato**

May Contact:

Drafter: **pkahler**

Subject: **Dom. Rel. - child support/maint.
Public Assistance - misc
Tax, Individual - miscellaneous**

Addl. Drafters: **jkreye**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Krug@legis.wi.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Child support enforcement

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 01/18/2012	jdyer 01/30/2012		_____			State
	jkreye 01/18/2012			_____			
	pkahler 01/19/2012			_____			
/P1			jfrantze 01/30/2012	_____	lparisi 01/30/2012		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	pkahler 02/03/2012	jdyer 02/09/2012	rschluet 02/09/2012	_____	sbasford 02/09/2012		

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: **01/18/2012**

Received By: **pkahler**

Wanted: **As time permits**

Companion to LRB:

For: **Scott Krug (608) 266-0215**

By/Representing: **Vince Trovato**

May Contact:

Drafter: **pkahler**

Subject: **Dom. Rel. - child support/maint.
Public Assistance - misc
Tax, Individual - miscellaneous**

Addl. Drafters: **jkreye**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Krug@legis.wi.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Child support enforcement

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 01/18/2012	jdyer 01/30/2012		_____			State
	jkreye 01/18/2012	1 2 9 jld		_____			
	pkahler 01/19/2012			_____			
/P1			jfrantz 01/30/2012	_____	lparisi 01/30/2012		

2912

FE Sent For:

<END>

2011 DRAFTING REQUEST

Bill

Received: 01/18/2012

Received By: pkahler

Wanted: As time permits

Companion to LRB:

For: Scott Krug (608) 266-0215

By/Representing: Vince Trovato

May Contact:

Drafter: pkahler

Subject: Dom. Rel. - child support/maint.
Public Assistance - misc
Tax, Individual - miscellaneous

Addl. Drafters: jkreye

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krug@legis.wi.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Child support enforcement

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	pkahler	PI 30 jld	PHY 3	KMY 3/30			

FE Sent For:

<END>

Kahler, Pam

From: Gallagher, Michael
Sent: Tuesday, January 17, 2012 4:24 PM
To: Kahler, Pam
Subject: FW: For Immediate Drafting

Attachments: Child Support.pdf; W-2.pdf

Pam: I originally sent this to GMM, but he said it's yours. See the pdfs. Can you let Vince Trovato know that you're handling it?

You can ignore the Iran stuff in the e-mail.

Thanks.

Mike

From: Trovato, Vince
Sent: Tuesday, January 17, 2012 2:06 PM
To: Gallagher, Michael
Cc: 'Scott Krug'
Subject: For Immediate Drafting

Hi Mike,

I am attaching two different proposals for immediate drafting to this email. If you can put a rush on these it would be greatly appreciated. Also, is there a timetable yet from the LRB on the draft we have concerning procurement of goods from companies doing business with Iran? It was submitted to drafting over three weeks ago and an update would be appreciated.

Thanks again.

Vince Trovato
Office of Representative Scott Krug
608 266 0215



Child Support.pdf W-2.pdf (370 KB)
(122 KB)



wisconsin department of
children & families

201 East Washington Avenue, Room G200

P.O. Box 8916

Madison, WI 53708-8916

Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

Child Support

The Department proposes three statutory modifications related to child support. It is in the public interest to assure that non-custodial parents support their children. The three changes described below will improve the collection of child support and the efficiency of enforcement.

1. Child Support priority for state tax offset

Statute: §71.93(3) (a)

Issue

Since DOR has converted the Child Support Tax Refund Offset program process to the TRIP system, they have imposed the same requirements on the Bureau of Child Support as they do on other claiming entities; we can only increase our certified debt amount by a maximum of 20%, and no more frequently than at 31 day intervals. If we wish to exceed either the amount or time limit, we must submit the new amount as a separate debt, which will be at the bottom of the priority list, as priority is established based solely on date of submittal.

Suggested Change

Create legislation so that child support has the same priority for state tax offset as it does for federal tax offset (child support receives the first priority after unpaid IRS taxes).

Rationale

It is preferred public policy to put support of children ahead of other claims against state tax refunds.

2. Interception of child support from insurance settlements

Statute: §49.856

Issue

Current statutes do not grant the child support program authority to intercept insurance settlements due to be paid out to delinquent child support payers, nor do they require insurance companies to ascertain whether there is a child support lien in place on the recipient of a settlement payment prior to releasing the payment.

T 608.266.8684 F 608.261.6972 dcf.wi.gov

Suggested Change

Amend §49.856 to give the child support program the authority to intercept child support from insurance settlement payments and require insurance companies to check the child support lien docket prior to paying claims. This language would be similar to the requirement that applies to title companies.

Rationale

The federal Deficit Reduction Act of 2005 requires insurance companies to supply insurance claim information for delinquent child support payers to the federal Department of Health and Human Services (DHHS). DHHS will furnish this information to states for the purpose of intercepting these payments. This law change is required to provide the authority to intercept once notification is received from DHHS. This would increase child support collections on behalf of families and the state. (The amount of increased collections cannot be determined.)

Currently child support agencies need to use a judicial process to intercept these payments.

3. Administrative Enforcement – Interstate (AEI)

Statute: §49.854(5)(c)

Issue

States must enact legislation that requires the Title IV-D program to act on behalf of other states as required by §42USC 466(a)(14), which provides that each state must accept other state's requests to do high-volume automated enforcement and immediately seize the assets that are identified. This law requires Wisconsin to promptly identify and seize assets based upon a request made by another state. The new law must provide for full faith and credit to the other state's due process requirements and move immediately to seizure based on the other state's certification that all due process requirements have been met. Under current law, other states must first register their order for enforcement in Wisconsin under the Uniform Interstate Family Support Act.

Suggested Change

Amend §49.854(5)(c) Liens in favor of other states to require Wisconsin banks to honor levies directly from other state Title IV-D agencies.

Rationale

This change is required by federal law.



DUE TUES please

PJK + JK jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

~~SOON~~
~~(1/19)~~

DN

the collection of delinquent
child support and granting
rule-making authority.

✓
1

gen act
AN ACT relating to: ???

Analysis by the Legislative Reference Bureau

Under current law, a state agency may certify to the Department of Revenue (DOR) a debt owed to the agency. DOR may then collect the debt by subtracting the amount from the debtor's tax refund. If the debtor owes more than one certified debt, DOR collects the earliest certified debt first. Under this bill, if a debtor owes more than one certified debt, DOR collects child support obligations first.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.93 (3) (a) of the statutes is amended to read:

71.93 (3) (a) The department of revenue shall setoff any debt or other amount owed to the department, regardless of the origin of the debt or of the amount, its nature or its date. If after the setoff there remains a refund in excess of \$10, the department shall set off the remaining refund against certified debts of other state agencies. If more than one certified debt exists for any debtor, the refund shall be first set off against the earliest debt certified, except that no child support or child

✓
Insert A-1
Insert 1-2A
Insert 1-2B

SECTION 1

1 support obligations. No spousal support obligation submitted by an agency of
 2 another state may be set off until all debts owed to and certified by state agencies of
 3 this state have been set off. When all debts have been satisfied, any remaining
 4 refund shall be refunded to the debtor by the department. Any legal action
 5 contesting a setoff under this paragraph shall be brought against the state agency
 6 that certified the debt under sub. (2).

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28.

(END)

7

insert 2-6 ✓

insert 2-7 ✓

D-note
 ↓



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-1548/3
PJK:jld&cs:rs

DOA:.....Pink, BB0375 - Insurance payment intercept for MA liability or child support obligation

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

for all of the children and families of the state (NR#)

1 AN ACT ... relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES
OTHER HEALTH AND HUMAN SERVICES

Insert A-1

Under current law, DHFS, which administers the Medical Assistance (MA) program, may recover incorrect payments that were made for health care services under MA that resulted from a misstatement or omission of fact by a person supplying information in an application for benefits, from the failure of a person to report the receipt of income or assets in an amount that would have affected a recipient's eligibility for benefits, or from the failure of a person to report changes in a recipient's financial or nonfinancial situation or eligibility characteristics that would have affected the recipient's eligibility for benefits or his or her cost-sharing requirements. If DHFS provides any medical assistance to a person as a result of an injury, for example, that was caused by a third party, DHFS may recover from the third party the amount of the medical assistance provided. Also under current law,

if an individual who is obligated to pay court-ordered child or family support or maintenance (support) has an overdue support obligation because of a failure to pay, his or her name, social security number, and amount of support owed is posted on a statewide support lien docket, and the amount of support owed becomes

This bill requires every insurer authorized to do business in this state, before paying any claim of \$500 or more, to verify with DHFS that the individual to whom

NO #

now

a lien in favor of the Department of Children and Families for all of the individual's property. The (NR#)

Insert A-1 cont'd

the claim is to be paid does not owe an amount that was paid under MA incorrectly or an amount that DHFS may recover because of medical assistance provided to another person (medical assistance liability) and to check the statewide support lien docket to ensure that the individual does not have an overdue support obligation (support liability). If the individual has a support liability, the insurer must pay the claim proceeds, up to the amount of the support liability, to DWD. If the individual has a medical assistance liability, the insurer must pay the claim proceeds, up to the amount of the medical assistance liability, to DHFS. If the individual has both liabilities, the support liability must be paid first. After any liability is paid, the individual is paid any claim proceeds that remain. *DCF*

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

(end of ins A-1)

Insert A-1E

support

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Insert 1-2

1 SECTION 1. 49.895 of the statutes is created to read:

2 **49.895 Insurance claim intercept.** (1) In this section:

3 (a) "Medical assistance liability" means an amount that the department of
4 health and family services may recover under s. 49.497, 49.847, or 49.89.

5 (b) "Support liability" means an amount that is entered in the statewide
6 support lien docket under s. 49.854.

7 (2) Before paying an insurance claim of \$500 or more to any individual, an
8 insurer that is authorized to do business in this state shall do all of the following:

9 (a) Verify with the department of health and family services, in the manner
10 required by the department, whether the individual to whom the claim is to be paid
11 has a medical assistance liability.

12 (b) Check the statewide support lien docket to determine whether the
13 individual to whom the claim is to be paid has a support liability.

¶(a) "Insurer" has the meaning given in s. 600.01(27).

NO #

no 41 insert 1-2A contd

(1) (3) If an individual to whom a claim of \$500 or more is to be paid has a support
(2) liability or a medical assistance liability, or both, the insurer shall distribute the
3 claim proceeds as follows:

(4) (a) First, if there is a support liability, to the department of workforce
(5) development to pay the support liability, up to the amount of the support liability or
6 the amount of the claim, whichever is less. ✓

(7) (b) Next, if there is a medical assistance liability, to the department of health
8 and family services to pay the medical assistance liability, up to the amount of the
9 medical assistance liability or the amount of the claim proceeds remaining,
10 whichever is less. → Next

(11) (c) Last, to the individual, the remainder of the claim proceeds, if any.

(12) (d) The department of health and family services shall promulgate rules for the
13 administration of this section, including procedures for insurers to follow and any
(14) notice and hearing requirements. Notwithstanding s. 227.24 (3), the rules under this
(15) subsection may be promulgated as emergency rules under s. 227.24 without a finding
(16) of emergency. (end of ins 1-2 B) insert 2-7

17 *Fix component* → SECTION 9321. Initial applicability; Health and Family Services

18 (1) INSURANCE CLAIM INTERCEPT. If any insurance policy that is in effect on the
19 effective date of this subsection contains a provision that is inconsistent with the
20 treatment of section 49.895 of the statutes, the treatment of section 49.895 of the
21 statutes first applies to that policy on the date on which it is renewed.

(end of ins 2-7)

children and families

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3844/?ins
PJK:.....

INSERT A-1M (to Insert A-1)

Under current law, DCF may enforce the lien in favor of DCF that is created automatically when an individual has an overdue support obligation by sending a notice to a financial institution to freeze any accounts that the individual has at the financial institution. The financial institution must then send to DCF funds from the individual's accounts, up to the amount of the overdue support obligation, if the individual does not request a hearing on the matter, or if the individual requests a hearing but the court determines that the individual owes the overdue support obligation. Current law also provides that DCF may send to a financial institution notice of a lien in favor of another state for an overdue support obligation. The notice must request enforcement of the lien and a certification that any due process requirements were met in the other state. The bill provides that a support enforcement agency of another state may send to a financial institution in this state directly, instead of through DCF, notice that the other state has a lien for an overdue support obligation against accounts held at the financial institution, along with a request to enforce the lien and certification that all due process requirements have been met in the other state. If these requirements are met, the financial institution must send the amount stated in the notice to the address specified in the notice.

(END OF INSERT A-1M)

INSERT 1-2A

1 SECTION 1. 49.854 (5) (c) of the statutes is amended to read:

2 49.854 (5) (c) *Liens in favor of other states.* Notwithstanding par. (b), if a
3 financial institution receives directly from a support enforcement agency in another
4 state a notice of a lien under par. (b) is in favor of another the other state, the notice
5 sent by the department to the financial institution may consist of the along with a
6 request from the other state to enforce the lien, and certification by the department
7 that any necessary due process requirements were met in the other state, a request
8 that the financial institution shall honor the request from the other state by sending
9 funds in the amount specified in the request directly to the other state, and to the
10 address to which the financial institution shall send the funds specified in the

Ins. 1-2^A contd

1 request. Notice and hearing requirements under pars. (d) and (f) do not apply to a
2 lien in favor of another state.

History: 1997 a. 191; 1999 a. 9; 2001 a. 61; 2003 a. 33; 2007 a. 20.

(END OF INSERT 1-2^A)

INSERT 2-6

3 **SECTION 2.** 769.601 of the statutes is renumbered 769.601 (1).^X

4 **SECTION 3.** 769.601 (2)^X of the statutes is created to read:

5 769.601 (2) A notice of a lien in favor of another state that is based on a support
6 obligation may be sent directly to a financial institution in this state under s. 49.854

7 (5) (c),[✓] and the lien may be enforced without registration of the support order or[✓]
8 income-withholding order or notice of lien.[✓]

(END OF INSERT 2-6)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3844/dn ⁷¹

PJK:.....

date

JLD

Proposed s. 49.895 is a modified version of a draft that was included in the original 2007 budget bill (2007 SB 40). You could provide the notice and hearing requirements in the statute if you want to avoid having the agency promulgate rules for that purpose. *

I have modified s. 49.854 (5) (c) to allow other states to send notices of liens directly to financial institutions. Is the amendment to the paragraph satisfactory or is more detail needed for what the other state's notice must contain, such as information about the obligor?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3844/P1dn
PJK:jld:ph

January 30, 2012

Proposed s. 49.895 is a modified version of a draft that was included in the original 2007 budget bill (2007 SB-40). You could provide the notice and hearing requirements in the statute if you want to avoid having the agency promulgate rules for that purpose.

I have modified s. 49.854 (5) (c) to allow other states to send notices of liens directly to financial institutions. Is the amendment to this paragraph satisfactory or is more detail needed for what the other state's notice must contain, such as information about the obligor?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From: Trovato, Vince
Sent: Friday, February 03, 2012 1:12 PM
To: Knepp, Fern; Kahler, Pam
Subject: RE: Submitted: LRB 11-3842/2 Topic: W-2 and emergency assistance program - fraud reduction?body=

Hi Pam,

Please see the message below regarding Rep. Krug's Child Support bill.

Thanks again for your help.

Vince Trovato
Office of Representative Krug

From: Knepp, Fern
Sent: Friday, February 03, 2012 11:47 AM
To: Trovato, Vince
Subject: RE: Submitted: LRB 11-3842/2 Topic: W-2 and emergency assistance program - fraud reduction?body=

Vince:

The instructions sound more like they apply to a child support bill. Are these instructions for Pam?

Thanks,
Fern

From: Trovato, Vince
Sent: Friday, February 03, 2012 11:39 AM
To: Knepp, Fern
Subject: Submitted: LRB 11-3842/2 Topic: W-2 and emergency assistance program - fraud reduction?body=

Hi Fern,

After talking over the latest draft of LRB 11-3842 with DCF, their attorney sent the following memo:

"With respect to the child support bill, the draft language is fine, but I would like to see the drafter amend one of the characterizations they made in the analysis. When a child support payer's name is placed on the web based lien docket, their social security number is not included. Although that information is stored in the system, the number is never displayed. The analysis creates the impression that it is and given the sensitivity surrounding the privacy of SSN's, I would prefer that that language be amended.

Additionally, with respect to the actual draft language, the term 'child support obligation' in s.71.93(3)(a) is not defined. It should probably cross reference s.49.855 to clarify that it includes any child support related debt certified to DOR which could include maintenance, R & D fees, medical expenses and birth costs. Those debts are all lumped together in the certification so there would be no way for DOR to single out the child support component."

Would it be possible to incorporate these changes into one more updated draft?

Thanks again for your help with this.

Vince Trovato
Office of Representative Scott Krug



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3844/P
PJK&JK:jld:dr

r mis run

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

2011 BILL

*D-urge
(in 2-3)
SOON*

LX

Regen

1 AN ACT *to renumber* 769.601; *to amend* 49.854 (5) (c) and 71.93 (3) (a); and *to*
2 *create* 49.895 and 769.601 (2) of the statutes; **relating to:** the collection of
3 delinquent child support and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, a state agency may certify to the Department of Revenue (DOR) a debt owed to the agency. DOR may then collect the debt by subtracting the amount from the debtor's tax refund. If the debtor owes more than one certified debt, DOR collects the earliest certified debt first. Under this bill, if a debtor owes more than one certified debt, DOR collects child support obligations first.

Under current law, if an individual who is obligated to pay court-ordered child or family support or maintenance (support) has an overdue support obligation because of a failure to pay, his or her name social security number and amount of support owed is posted on a statewide support lien docket and the amount of support owed becomes a lien in favor of the Department of Children and Families (DCF) on all of the individual's property. The bill requires every insurer authorized to do business in this state, before paying any claim, to check the statewide support lien docket to ensure that the individual does not have an overdue support obligation (support liability). If the individual has a support liability, the insurer must pay the claim proceeds, up to the amount of the support liability, to DCF. After any support liability is paid, the individual is paid any claim proceeds that remain.

Under current law, DCF may enforce the lien in favor of DCF that is created automatically when an individual has an overdue support obligation by sending a notice to a financial institution to freeze any accounts that the individual has at the

financial institution. The financial institution must then send to DCF funds from the individual's accounts, up to the amount of the overdue support obligation, if the individual does not request a hearing on the matter, or if the individual requests a hearing but the court determines that the individual owes the overdue support obligation. Current law also provides that DCF may send to a financial institution notice of a lien in favor of another state for an overdue support obligation. The notice must request enforcement of the lien and include a certification that any due process requirements were met in the other state. The bill provides that a support enforcement agency of another state may send to a financial institution in this state directly, instead of through DCF, notice that the other state has a lien for an overdue support obligation against accounts held at the financial institution, along with a request to enforce the lien and certification that all due process requirements have been met in the other state. If these requirements are met, the financial institution must send the amount stated in the notice to the address specified in the notice.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.854 (5) (c) of the statutes is amended to read:

2 49.854 (5) (c) *Liens in favor of other states.* Notwithstanding par. (b), if a
3 financial institution receives directly from a support enforcement agency in another
4 state a notice of a lien under par. (b) is in favor of another the other state, the notice
5 ~~sent by the department to the financial institution may consist of the~~ along with a
6 ~~request from the other state to enforce the lien, a~~ and certification by the department
7 ~~that any necessary due process requirements were met in the other state, a request~~
8 ~~that the financial institution shall honor the request from the other state by sending~~
9 funds in the amount specified in the request directly to the other state, and to the
10 ~~address to which the financial institution shall send the funds specified in the~~
11 request. Notice and hearing requirements under pars. (d) and (f) do not apply to a
12 lien in favor of another state.

13 **SECTION 2.** 49.895 of the statutes is created to read:

1 **49.895 Insurance claim intercept.** (1) In this section:

2 (a) "Insurer" has the meaning given in s. 600.01 (27).

3 (b) "Support liability" means an amount that is entered in the statewide
4 support lien docket under s. 49.854.

5 (2) Before paying an insurance claim to any individual, an insurer that is
6 authorized to do business in this state shall check the statewide support lien docket
7 to determine whether the individual to whom the claim is to be paid has a support
8 liability. If an individual to whom a claim is to be paid has a support liability, the
9 insurer shall distribute the claim proceeds as follows:

10 (a) First, to the department of children and families to pay the support liability,
11 up to the amount of the support liability or the amount of the claim, whichever is less.

12 (b) Next, to the individual, the remainder of the claim proceeds, if any.

13 (3) The department of children and families may promulgate rules for the
14 administration of this section, including procedures for insurers to follow and any
15 notice and hearing requirements.

16 **SECTION 3.** 71.93 (3) (a) of the statutes is amended to read:

17 71.93 (3) (a) The department of revenue shall setoff any debt or other amount
18 owed to the department, regardless of the origin of the debt or of the amount, its
19 nature or its date. ~~If after the setoff there remains a refund in excess of \$10, the~~
20 ~~department shall set off the remaining refund against certified debts of other state~~
21 ~~agencies. If more than one certified debt exists for any debtor, the refund shall be~~
22 ~~first set off against the earliest debt certified, except that no child support or child~~
23 ~~support obligations. No spousal support obligation submitted by an agency of~~
24 another state may be set off until all debts owed to and certified by state agencies of
25 this state have been set off. When all debts have been satisfied, any remaining

Insert 4-3

1 refund shall be refunded to the debtor by the department. Any legal action
2 contesting a setoff under this paragraph shall be brought against the state agency
3 that certified the debt under sub. (2).

4 **SECTION 4.** 769.601 of the statutes is renumbered 769.601 (1).

5 **SECTION 5.** 769.601 (2) of the statutes is created to read:

6 769.601 (2) A notice of a lien in favor of another state that is based on a support
7 obligation may be sent directly to a financial institution in this state under s. 49.854
8 (5) (c), and the lien may be enforced without registration of the support order or notice
9 of lien.

10 **SECTION 6. Initial applicability.**

11 (1) INSURANCE CLAIM INTERCEPT. If any insurance policy that is in effect on the
12 effective date of this subsection contains a provision that is inconsistent with the
13 treatment of section 49.895 of the statutes, the treatment of section 49.895 of the
14 statutes first applies to that policy on the date on which it is renewed.

15 (END)

J. note

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3844/lins
PJK&JK:.....

INSERT 4-3

1 **SECTION 1.** 71.93 (3) (a) ^X of the statutes is amended to read:
2 71.93 (3) (a) The department of revenue shall setoff any debt or other amount
3 owed to the department, regardless of the origin of the debt or of the amount, its
4 nature or its date. If after the setoff there remains a refund in excess of \$10, the
5 department shall set off the remaining refund against certified debts of other state
6 agencies. If more than one certified debt exists for any debtor, the refund shall be
7 first set off against the earliest any debt certified, ~~except that no~~ [✓] under s. 49.855 (1).
8 No child support or spousal support obligation submitted by an agency of another
9 state may be set off until all debts owed to and certified by state agencies of this state
10 have been set off. When all debts have been satisfied, any remaining refund shall
11 be refunded to the debtor by the department. Any legal action contesting a setoff
12 under this paragraph shall be brought against the state agency that certified the
13 debt under sub. (2).

History: 1987 a. 312; 1989 a. 31; 1993 a. 437; 1995 a. 27 ss. 3427 to 3429, 9126 (19), 9130 (4); 1995 a. 404; 1997 a. 3, 27; 2001 a. 16; 2003 a. 33; 2005 a. 25, 59, 254; 2007 a. 20 ss. 2141 to 2142, 9121 (6) (a); 2007 a. 97, 200; 2009 a. 28.

(END OF INSERT 4-3)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3844/1dn

PJK&JK: :...
^

date

JLd

In this redraft, we have modified s. 71.93 (3) (a) [✓] so that "child support obligation" includes all of the components of an obligation certified under s. [✓]49.855 (1). Section 71.93 (3) (a) [✓]as amended now seems odd, though, because only child or spousal support obligations submitted by another state may not be satisfied before all obligations submitted by agencies of this state are satisfied. Apparently *other* types of obligations submitted by other states *may* be satisfied before all of the obligations submitted by agencies of this state have been paid. Is this okay?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3844/1dn
PJK&JK:jld:rs

February 9, 2012

In this redraft, we have modified s. 71.93 (3) (a) so that "child support obligation" includes all of the components of an obligation certified under s. 49.855 (1). Section 71.93 (3) (a) as amended now seems odd, though, because only child or spousal support obligations submitted by another state may not be satisfied before all obligations submitted by agencies of this state are satisfied. Apparently *other* types of obligations submitted by other states *may* be satisfied before all of the obligations submitted by agencies of this state have been paid. Is this okay?

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: pam.kahler@legis.wisconsin.gov

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Parisi, Lori

From: Trovato, Vince
Sent: Tuesday, February 14, 2012 2:46 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-3844/1 Topic: Child support enforcement

Please Jacket LRB 11-3844/1 for the ASSEMBLY.