

State of Misconsin LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX PLEASE DO NOT REMOVE FROM DRAFTING FILE

Date Transfer Requested: 02/06/2012

(Per: PJK & GMM)

Compile Draft – Appendix D ... Part 01 of 01

A ► The 2011 drafting file for LRB-0558

D ☞ The <u>2011</u> drafting file for LRB-0563

B ★ The 2011 drafting file for LRB-0559

E The 2011 drafting file for LRB-0569

C ➡ The 2011 drafting file for LRB-0560

2011 LRB-0563 has been copied/added to the drafting file for

2011 LRB-0568

Bill

Received: 11/19/2010

Received: 11/19/2010					Received By: pkahler				
Wanted: As time permits					Companion to LRB:				
For: Legislative Council - LRC					By/Representing: Laura Rose				
May Contact: Subject: Dom. Rel child support/maint					Drafter: pkahler				
Subject:	Dom. R	ei cana supp	ort/maint.		Addl. Drafters:				
					Extra Copies:				
Submit v	ia email: YES								
Requeste	r's email:	Anne.Sapp	enfield@leg	gis.wisconsir	1.gov				
Carbon c	opy (CC:) to:								
Pre Topi	c:		1						
No specif	fic pre topic gi	ven							
Topic:									
Release o	of frozen accou	ints							
Instructi	ons:								
See attacl	ned								
Drafting	History:								
Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	<u>Jacketed</u>	Required		
/?	pkahler 11/22/2010	kfollett 11/24/2010							
/P1	rschluet		0	mbarman 11/29/2010					
/1	pkahler 01/12/2012	jdyer 01/13/2012	phenry 01/13/201	2	mbarman 01/13/2012				
/2	pkahler 01/19/2012	kfollett 01/19/2012	rschluet 01/20/201	2	mbarman 01/20/2012				

LRB-0563 01/20/2012 11:05:13 AM Page 2

<u>Vers.</u> <u>Drafted</u> <u>Reviewed</u> <u>Typed</u> <u>Proofed</u> <u>Submitted</u> <u>Jacketed</u> <u>Required</u>

FE Sent For:

<END>

Bill

Received: 11/19/2010					Received By: pkahler Companion to LRB:			
Wanted: As time permits For: Legislative Council - LRC								
					By/Representing: Laura Rose			
May Contact: Subject: Dom. Rel child support/m			a <i>mt (</i> m. a.t		Drafter: pkahler			
			ort/maint.		Addl. Drafters:			
					Extra Copies:			
Submit v	ia email: YES							
Requeste	r's email:	Anne.Sappo	enfield@leg	gis.wisconsi	n.gov			
Carbon c	opy (CC:) to:							
Pre Topi	c:							
No specif	fic pre topic gi	ven						
Topic:			<u></u>					
Release o	of frozen accou	ints						
Instructi	ions:							
See attacl	hed							
Drafting	History:							
Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required	
/?	pkahler 11/22/2010	kfollett 11/24/2010						
/P1	P1 rschluet		0	mbarman 11/29/2010				
/1	pkahler 01/12/2012	jdyer 01/13/2012 / 2 5	phenry 01/13/201	2 A	mbarman 01/13/2012			
FE Sent F	For:	1/19	O. T.					

-		
L	- 1	1
п		1

Received: 11/19/2010 Wanted: As time permits For: Legislative Council - LRC					Received By: pkahler Companion to LRB: By/Representing: Laura Rose											
									May Contact:				Drafter: pkahler			
									Subject:	Subject: Dom. Rel child support/maint.				Addl. Drafters:		
				Extra Copies:												
Submit v	ia email: YES															
Requeste	r's email:	Laura.Rose	@legis.wis	sconsin.gov												
Carbon co	opy (CC:) to:															
Pre Topi	c:															
No specif	fic pre topic gi	iven														
Topic:			······································													
Release o	of frozen accou	unts														
Instructi	ions:															
See attach	hed															
Drafting	History:															
Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	<u>Jacketed</u>	Required									
/?	pkahler 11/22/2010	kfollett 11/24/2010	V13d													
/P1	şi.	1. Rica	rschluet 11/29/201	10	mbarman 11/29/2010											
FE Sent F	For:															

<END>

Bill Received: 11/19/2010 Received By: pkahler Wanted: As time permits Companion to LRB: For: Legislative Council - LRC By/Representing: Laura Rose May Contact: Drafter: pkahler Subject: Dom. Rel. - child support/maint. Addl. Drafters: Extra Copies: Submit via email: YES Requester's email: Laura.Rose@legis.wisconsin.gov Carbon copy (CC:) to: Pre Topic: No specific pre topic given Topic: Release of frozen accounts Instructions: See attached **Drafting History:** Vers. Drafted Reviewed Proofed Submitted Jacketed Required Typed pkahler /?

<END>

FE Sent For:

Jim Doyle Governor

Reggie Bicha

State of Wisconsin
Department of Children and Families

201 East Washington Avenue, Room G200 P.O. Box. 8916 Madison, WI 53708-8916

> Telephone: 608-267-3905 Fax: 608-286-8836 dcf wisconsin.gov

CORRESPONDENCE/Memorandum

State of Wisconsin

Date:

October 29, 2010

To:

Director Terry Anderson

Legislative Council

From:

Secretary Reggie Bicha

Department of Children and Families

Subject:

Department of Children and Families Law Revision Proposals

The Department of Children and Families is seeking a number of technical amendments through the law revision process. Below are the proposals listed by program area and unless otherwise stated the proposal has not been introduced in previous sessions and have no fiscal effect.

Child Support:

√ 8. Release of Frozen Financial Institution Accounts

Specific Statutory Change

Amend Wis. Stat. §49.854(5)(f) to require the department to instruct the financial institution to release a frozen account when the court determines that the child support arrears are not owed.

Administrative or Substantive Problem with Current Law and Need for the Change

Wis. Stat. § 49.854(5)(f) provides that if a payer requests a court hearing after his or her financial accounts have been frozen due to child support arrears, and the court determines that the arrears are not owed, the department must return the seized funds to the payer. However, the department is not in possession of the funds as the account has just been frozen.

Paternity Acknowledgment Form Notice Requirements

Specific Statutory Change

Delete the language in the last sentence of Wis. Stat. 1. 69.15(3)(b)3 and replace it with language requiring that the form provided by the state registrar for the voluntary acknowledgment of paternity must be in accordance with federal law and regulations related to voluntary paternity acknowledgment, and must include the rights and responsibilities of, and alternatively to, voluntary paternity acknowledgment.

Administrative or Substantive Problem with Current Law and Need for the Change

Current law requires that the voluntary paternity acknowledgment form

Kahler, Pam

From:

Malaise, Gordon

Sent:

Tuesday, November 16, 2010 5:41 PM

To:

Kahler, Pam

Cc:

Rose, Laura

Subject:

FW: Department of Children and Families Law Revision Proposals

Attachments: law revision-1.pdf

Pam:

Here are DCF's remedial legislation proposals The proposals relating to child support and W-2 look like yours. The child welfare proposals are mine.

Gordon

From: Rose, Laura

Sent: Tuesday, November 16, 2010 3:17 PM

To: Malaise, Gordon

Subject: FW: Department of Children and Families Law Revision Proposals

Hi, Gordon,

Attached are the Law Revision remedial legislation proposals from DCF for the upcoming legislative session. I reviewed them, and I think they are okay. Please let me know if you have any questions.

Thanks very much,

Laura

Laura D. Rose, Deputy Director

Wisconsin Legislative Council

One East Main Street, Suite 401

PO Box 2536

Madison, WI 53701 2536

tel: 608.266.9791

fax: 608.266.3830

laura.rose/a legis.wisconsin.gov

From: DCF Secretary Reggie Bicha [mailto:DCFSecretaryReggieBicha@wisconsin.gov]

Sent: Friday, October 29, 2010 3:20 PM

To: Anderson, Terry C.

Cc: Rose, Laura

Subject: Department of Children and Families Law Revision Proposals

I am attaching the Department of Children and Families Law Revision Proposals Thank you.

Sincerely,

Reggie Bicha Secretary



State of Misconsin 2011 - 2012 LEGISLATURE



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Sin (at

- 1 AN ACT ,; relating to: releasing a frozen bank account of a support obligor
- 2 (suggested as remedial legislation by the Department of Children and 3 Families).

Analysis by the Legislative Reference Bureau

Under current law, if a person who has been ordered by a court to pay child support (obligor) is delinquent in the payments, the amount of the delinquency becomes a lien in favor of the Department of Children and Families (DCF). To enforce the lien, DCF may levy against one or more accounts that the obligor has at a financial institution by sending a notice of levy to the financial institution instructing the financial institution to prohibit the closing of or withdrawals from the account, up to the amount that is sufficient to pay the amount of the delinquency. If the obligor requests a hearing and at the hearing the court orders an alternative payment arrangement or determines that the obligor does not owe the support, or owes less than the amount claimed by DCF, the court must, under current law, order DCF to return the seized funds or the excess of the seized funds over the delinquent amount. Since DCF has not actually seized the funds, this bill requires the court to order DCF to instruct the financial institution to release the account, or funds in the account that exceed the delinquent amount, to the obligor.

For further information, see the Notes provided by the Law Revision Committee of the Joint Legislative Council.

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

Law Revision Committee Prefatory Note: This bill is a remedial legislation proposal, requested by the Department of Children and Families and introduced by the Law Revision Committee under s. 13.83(1)(c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 20.437 (2) (r) of the statutes is amended to read:

20.437 (2) (r) Support receipt and disbursement program; payments. From the support collections trust fund, except as provided in par. (qm), all moneys received under s. 49.854, except for moneys received under s. 49.854 (11) (b), all moneys received under ss. 767.57 and 767.75 for child or family support, maintenance, spousal support, health care expenses, or birth expenses, all other moneys received under judgments or orders in actions affecting the family, as defined in s. 767.001 (1), and all moneys received under s. 49.855 (4) from the department of revenue or the department of administration that were withheld by the department of revenue or the internal revenue service for delinquent child support, family support, or maintenance or outstanding court-ordered amounts for past support, medical expenses, or birth expenses, for disbursement to the persons for whom the payments are awarded, for returning seized funds under s. 49.854 (5) (f) paying a person who holds a financial institution account jointly with an obligor the value of the account that is attributable to the person under s. 49.854 (7m), and, if assigned under s. 48.57 (3m) (b) 2. or (3n) (b) 2., 48.645 (3), 49.145 (2) (s), 49.19 (4) (h) 1. b., or 49.775 (2) (bm),

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

for transfer to the appropriation account under par. (k). Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

History: 2007 a. 20 × 331, 335, 340, 341, 342, 344 to 352, 354 to 368g, 374 to 376, 380, 381, 401, 404, 405, 423 to 437, 447, 448, 450, 451, 453, 453p, 454, 456 to 458, 460, 463, 465 to 472, 474 to 480, 9121 (6) (a): 2009 a. 28 × 471 to 513, 522; 2009 a. 76, 180, 185, 265, 339; × 13,92 (2) (i).

SECTION 2. 49.854 (5) (f) of the statutes is amended to read:

49.854 (5) (f) Hearings. A hearing requested under par. (d) 6. shall be conducted before the circuit court rendering the order to pay support. Within 45 business days after receiving a request for hearing under par. (d) 6., the court shall conduct the hearing. A circuit court commissioner may conduct the hearing. The hearing shall be limited to a review of whether the account holder owes the amount of support certified and whether any alternative payment arrangement offered by the department or the county child support agency is reasonable. If the court or circuit court commissioner makes a written determination that an alternative payment arrangement offered by the department or county child support agency is not reasonable, the court or circuit court commissioner may order an alternative payment arrangement. If the court or circuit court commissioner orders an alternative payment arrangement, the court or circuit court commissioner shall order the department to instruct the financial institution to release all or a portion of the funds. If the court or circuit court commissioner determines that the account holder does not owe support or owes less than the amount claimed by the department, the court shall order the department to return the seized funds instruct the financial institution to release the funds in the account or the excess of the seized those funds over the amount of the delinquency to the account holder. If a circuit court commissioner conducts the hearing under this paragraph, the department or the obligor may, within 15 business days after the date that the circuit court



- 1 commissioner makes his or her decision, request review of the decision by the court
- with jurisdiction over the action.

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

3

(END)

to to

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-0563/3dn PJK:...:

Utt

Is how I amended s. 20.437 (2) (r) okay?

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-0563 P1dn PJK:kjf:rs

November 29, 2010

Is how I amended s. 20.437(2)(r) okay?

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266-2682

E-mail: pam.kahler@legis.wisconsin.gov

After SECTION 1

Provides that one purpose of the support collections trust fund is to pay a person who holds an account at a financial institution jointly with a delinquent support obligor the value of the account that is attributable to the person instead of returning funds seized from a financial institution. This reflects that a financial institution freezes accounts at the request of the Department of Children and Families upon notice of levy but the department does not seize the funds until an opportunity for a hearing is afforded.

After SECTION 2

In a hearing relating to a levy against a delinquent obligor's financial account, provides that the court may order the department to instruct the financial institution to release all or a portion of the funds, instead of ordering the department to release the funds.



State of Misconsin 2011 - 2012 LEGISLATURE



CON ISLL

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION 2

7

1

Regen

- AN ACT to amend 20.437 (2) (r) and 49.854 (5) (f) of the statutes; relating to:
- releasing a frozen bank account of a support obligor (suggested as remedial legislation by the Department of Children and Families).

Analysis by the Legislative Reference Bureau

Under current law, if a person who has been ordered by a court to pay child support (obligor) is delinquent in the payments, the amount of the delinquency becomes a lien in favor of the Department of Children and Families (DCF). To enforce the lien, DCF may levy against one or more accounts that the obligor has at a financial institution by sending a notice of levy to the financial institution instructing the financial institution to prohibit the closing of or withdrawals from the account, up to the amount that is sufficient to pay the amount of the delinquency. If the obligor requests a hearing and at the hearing the court orders an alternative payment arrangement or determines that the obligor does not owe the support, or owes less than the amount claimed by DCF, the court must, under current law, order DCF to return the seized funds or the excess of the seized funds over the delinquent amount. Since DCF has not actually seized the funds, this bill requires the court to order DCF to instruct the financial institution to release the account, or funds in the account that exceed the delinquent amount, to the obligor.

For further information, see the Notes provided by the Law Revision Committee of the Joint Legislative Council.

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

Law Revision Committee prefatory note. This bill is a remedial legislation proposal, requested by the Department of Children and Families and introduced by the Law Revision Committee under s. $13.83\,(1)\,(c)\,4$, and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 20.437 (2) (r) of the statutes is amended to read:

20.437 (2) (r) Support receipt and disbursement program; payments. From the support collections trust fund, except as provided in par. (qm), all moneys received under s. 49.854, except for moneys received under s. 49.854 (11) (b), all moneys received under ss. 767.57 and 767.75 for child or family support, maintenance, spousal support, health care expenses, or birth expenses, all other moneys received under judgments or orders in actions affecting the family, as defined in s. 767.001(1), and all moneys received under s. 49.855 (4) from the department of revenue or the department of administration that were withheld by the department of revenue or the internal revenue service for delinquent child support, family support, or maintenance or outstanding court-ordered amounts for past support, medical expenses, or birth expenses, for disbursement to the persons for whom the payments are awarded, for returning seized funds under s. 49.854 (5) (f) paying a person who holds a financial institution account jointly with an obligor the value of the account that is attributable to the person under s. 49.854 (7m), and, if assigned under s. 48.57 for transfer to the appropriation account under par. (k). Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

5~ so + 2-18)

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

SECTION 2. 49.854 (5) (f) of the statutes is amended to read:

49.854 (5) (f) Hearings. A hearing requested under par. (d) 6. shall be conducted before the circuit court rendering the order to pay support. Within 45 business days after receiving a request for hearing under par. (d) 6., the court shall conduct the hearing. A circuit court commissioner may conduct the hearing. The hearing shall be limited to a review of whether the account holder owes the amount of support certified and whether any alternative payment arrangement offered by the department or the county child support agency is reasonable. If the court or circuit court commissioner makes a written determination that an alternative payment arrangement offered by the department or county child support agency is not reasonable, the court or circuit court commissioner may order an alternative payment arrangement. If the court or circuit court commissioner orders an alternative payment arrangement, the court or circuit court commissioner shall order the department to instruct the financial institution to release all or a portion of the funds. If the court or circuit court commissioner determines that the account holder does not owe support or owes less than the amount claimed by the department, the court shall order the department to return the seized funds instruct the financial institution to release the funds in the account or the excess of the seized those funds over the amount of the delinquency to the account holder. If a circuit court commissioner conducts the hearing under this paragraph, the department or the obligor may, within 15 business days after the date that the circuit court commissioner makes his or her decision, request review of the decision by the court with jurisdiction over the action.

24

\

(END)

To

_ Grant 3-23

2011-2012 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

INSERT 2-18

Note: Provides that one purpose of the support collections trust fund is to pay a person who holds an account at a financial institution jointly with a delinquent support obligor the value of the account that is attributable to the person instead of returning funds seized from a financial institution. This reflects that a financial institution freezes accounts at the request of the Department of Children and Families upon notice of levy but the department does not seize the funds until an opportunity for a hearing is afforded.

(END OF INSERT 2-18)

INSERT 3-23

NOTE: In a hearing relating to a levy against a delinquent obligor's financial account, provides that the court may order the department to instruct the financial institution to release all or a portion of the funds, instead of ordering the department to release the funds.

(END OF INSERT 3-23)

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

 $LRB\text{-}0561/1dn \\ PJK:_{\text{pr}};...$

In light of the amendment to s. 20.437 (2) (r), should the next to the last sentence of s. 49.854 (7m) be amended to replace "from the net balance of the jointly held account" with "from the appropriation under s. 20.437 (2) (r)"? \checkmark

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- 0563 1dn PJK:jld:ph

January 13, 2012

In light of the amendment to s. 20.437 (2) (r), should the next to the last sentence of s. 49.854 (7m) be amended to replace "from the net balance of the jointly held account" with "from the appropriation under s. 20.437 (2) (r)"?

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266-2682

E-mail: pam.kahler@legis.wisconsin.gov

Kahler, Pam

From:

Sappenfield, Anne

Sent:

Friday, January 20, 2012 8:17 AM

To:

Kahler, Pam

Subject:

RE: LRC draft LRB-0563

Thank you!

From: Kahler, Pam

Sent: Thursday, January 19, 2012 2:32 PM

To: Sappenfield, Anne

Subject: LRC draft LRB-0563

Hi, Anne.

I just spoke with Connie Chesnick about this draft and my question relating to amending s. 49.854 (7m). We've decided that instead I should amend the appropriation differently. So I will run a /2 of this draft.

Pamela J. Kahler Legislative Attorney Legislative Reference Bureau 608-266-2682



State of Misconsin 2011 - 2012 LEGISLATURE



2011 BILL





- 1 AN ACT to amend 20.437 (2) (r) and 49.854 (5) (f) of the statutes; relating to:
- 2 releasing a frozen bank account of a support obligor (suggested as remedial
- 3 legislation by the Department of Children and Families).

Analysis by the Legislative Reference Bureau

Under current law, if a person who has been ordered by a court to pay child support (obligor) is delinquent in the payments, the amount of the delinquency becomes a lien in favor of the Department of Children and Families (DCF). To enforce the lien, DCF may levy against one or more accounts that the obligor has at a financial institution by sending a notice of levy to the financial institution instructing the financial institution to prohibit the closing of or withdrawals from the account, up to the amount that is sufficient to pay the amount of the delinquency. If the obligor requests a hearing and at the hearing the court orders an alternative payment arrangement or determines that the obligor does not owe the support, or owes less than the amount claimed by DCF, the court must, under current law, order DCF to return the seized funds or the excess of the seized funds over the delinquent amount. Since DCF has not actually seized the funds, this bill requires the court to order DCF to instruct the financial institution to release the account, or funds in the account that exceed the delinquent amount, to the obligor.

BILL

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

For further information, see the Notes provided by the Law Revision Committee of the Joint Legislative Council.

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

Law Revision Committee Prefatory Note. This bill is a remedial legislation proposal, requested by the Department of Children and Families and introduced by the Law Revision Committee under s. 13.83 (1)(c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 20.437 (2) (r) of the statutes is amended to read:

20.437 (2) (r) Support receipt and disbursement program; payments. From the support collections trust fund, except as provided in par. (qm), all moneys received under s. 49.854, except for moneys received under s. 49.854 (11) (b), all moneys received under ss. 767.57 and 767.75 for child or family support, maintenance, spousal support, health care expenses, or birth expenses, all other moneys received under judgments or orders in actions affecting the family, as defined in s. 767.001(1), and all moneys received under s. 49.855 (4) from the department of revenue or the department of administration that were withheld by the department of revenue or the internal revenue service for delinquent child support, family support, or maintenance or outstanding court-ordered amounts for past support, medical expenses, or birth expenses, for disbursement to the persons for whom the payments are awarded, for returning seized funds under s. 49.854 (5) (f) paying a person who holds a financial institution account jointly with an obligor the value of the account that is attributable to the person under s. 49.854 (7m) and, if assigned under s. 48.57 (3m)(b)(2), or (3n)(b)(2), 48.645(3), 49.145(2)(s), 49.19(4)(h)(1), b., or 49.775(2)(bm), for transfer to the appropriation account under par. (k). Estimated disbursements

under this paragraph shall not be included in the schedule under s. 20.005.

BILL

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

Note: Provides that one purpose of the support collections trust fund is to pay person who holds an account at a financial institution jointly with a delinquent support obligor the value of the account that is attributable to the person instead of returning funds seized from a financial institution. This reflects that a financial institution freezes accounts at the request of the Department of Children and Families upon notice of levy but the department does not seize the funds until an opportunity for a hearing is afforded.

SECTION 2. 49.854 (5) (f) of the statutes is amended to read:

49.854 (5) (f) Hearings. A hearing requested under par. (d) 6. shall be conducted before the circuit court rendering the order to pay support. Within 45 business days after receiving a request for hearing under par. (d) 6., the court shall conduct the hearing. A circuit court commissioner may conduct the hearing. The hearing shall be limited to a review of whether the account holder owes the amount of support certified and whether any alternative payment arrangement offered by the department or the county child support agency is reasonable. If the court or circuit court commissioner makes a written determination that an alternative payment arrangement offered by the department or county child support agency is not reasonable, the court or circuit court commissioner may order an alternative payment arrangement. If the court or circuit court commissioner orders an alternative payment arrangement, the court or circuit court commissioner shall order the department to instruct the financial institution to release all or a portion of the funds. If the court or circuit court commissioner determines that the account holder does not owe support or owes less than the amount claimed by the department, the court shall order the department to return the seized funds instruct the financial institution to release the funds in the account or the excess of the seized those funds over the amount of the delinquency to the account holder. If a circuit court commissioner conducts the hearing under this paragraph, the department or the obligor may, within 15 business days after the date that the circuit court

- 1 commissioner makes his or her decision, request review of the decision by the court
- 2 with jurisdiction over the action.

NOTE: In a hearing relating to a levy against a delinquent obligor's financial account, provides that the court may order the department to instruct the financial institution to release all or a portion of the funds, instead of ordering the department to release the funds.

3

(END)

Anne: I modified the Note after the oppropriation. Please fix if necessary.

LRB-0563/2dn PJK: Kjf

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-0563 2dn PJK:kjf:rs

January 20, 2012

Anne:

I modified the Note after the appropriation. Please fix if necessary.

Pamela J. Kahler Senior Legislative Attorney Phone: (608) 266-2682

E-mail: pam.kahler@legis.wisconsin.gov



1

 $\mathbf{2}$

3

State of Misconsin 2011 - 2012 LEGISLATURE



2011 BILL

AN ACT to amend 20.437 (2) (r) and 49.854 (5) (f) of the statutes; relating to: releasing a frozen bank account of a support obligor (suggested as remedial

legislation by the Department of Children and Families).

Analysis by the Legislative Reference Bureau

Under current law, if a person who has been ordered by a court to pay child support (obligor) is delinquent in the payments, the amount of the delinquency becomes a lien in favor of the Department of Children and Families (DCF). To enforce the lien, DCF may levy against one or more accounts that the obligor has at a financial institution by sending a notice of levy to the financial institution instructing the financial institution to prohibit the closing of or withdrawals from the account, up to the amount that is sufficient to pay the amount of the delinquency. If the obligor requests a hearing and at the hearing the court orders an alternative payment arrangement or determines that the obligor does not owe the support, or owes less than the amount claimed by DCF, the court must, under current law, order DCF to return the seized funds or the excess of the seized funds over the delinquent amount. Since DCF has not actually seized the funds, this bill requires the court to order DCF to instruct the financial institution to release the account, or funds in the account that exceed the delinquent amount, to the obligor.

BILL

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

For further information, see the Notes provided by the Law Revision Committee of the Joint Legislative Council.

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

Law Revision Committee Prefatory Note. This bill is a remedial legislation proposal, requested by the Department of Children and Families and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4, and 5, stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 20.437 (2) (r) of the statutes is amended to read:

20.437 (2) (r) Support receipt and disbursement program; payments. From the support collections trust fund, except as provided in par. (qm), all moneys received under s. 49.854, except for moneys received under s. 49.854 (11) (b), all moneys received under ss. 767.57 and 767.75 for child or family support, maintenance, spousal support, health care expenses, or birth expenses, all other moneys received under judgments or orders in actions affecting the family, as defined in s. 767.001 (1), and all moneys received under s. 49.855 (4) from the department of revenue or the department of administration that were withheld by the department of revenue or the internal revenue service for delinquent child support, family support, or maintenance or outstanding court-ordered amounts for past support, medical expenses, or birth expenses, for disbursement to the persons for whom the payments are awarded, for returning seized funds under s. 49.854 (5) (f), and, if assigned under $s.\ 48.57\ (3m)\ (b)\ 2.\ or\ (3n)\ (b)\ 2.,\ 48.645\ (3),\ 49.145\ (2)\ (s),\ 49.19\ (4)\ (h)\ 1.\ b.,\ or\ 49.775$ (2) (bm), for transfer to the appropriation account under par. (k). Estimated disbursements under this paragraph shall not be included in the schedule under s. 20.005.

Note: Removes as a purpose of the support collections trust fund returning funds seized from a financial institution. This reflects that a financial institution freezes

BILL

1

 $\mathbf{2}$

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

accounts at the request of the Department of Children and Families upon notice of levy but the department does not seize the funds until an opportunity for a hearing is afforded.

SECTION 2. 49.854 (5) (f) of the statutes is amended to read:

49.854 (5) (f) Hearings. A hearing requested under par. (d) 6. shall be conducted before the circuit court rendering the order to pay support. Within 45 business days after receiving a request for hearing under par. (d) 6., the court shall conduct the hearing. A circuit court commissioner may conduct the hearing. The hearing shall be limited to a review of whether the account holder owes the amount of support certified and whether any alternative payment arrangement offered by the department or the county child support agency is reasonable. If the court or circuit court commissioner makes a written determination that an alternative payment arrangement offered by the department or county child support agency is not reasonable, the court or circuit court commissioner may order an alternative payment arrangement. If the court or circuit court commissioner orders an alternative payment arrangement, the court or circuit court commissioner shall order the department to instruct the financial institution to release all or a portion of the funds. If the court or circuit court commissioner determines that the account holder does not owe support or owes less than the amount claimed by the department, the court shall order the department to $\overline{\text{return the seized funds }}$ the financial institution to release the funds in the account or the excess of the seized those funds over the amount of the delinquency to the account holder. If a circuit court commissioner conducts the hearing under this paragraph, the department or the obligor may, within 15 business days after the date that the circuit court commissioner makes his or her decision, request review of the decision by the court with jurisdiction over the action.

LRB-0563/2 PJK:kjf:rs SECTION 2

BILL

Note: In a hearing relating to a levy against a delinquent obligor's financial account, provides that the court may order the department to instruct the financial institution to release all or a portion of the funds, instead of ordering the department to release the funds.

(END)

1