



## BILL SUMMARY

# Court Debt Collection SF 2316

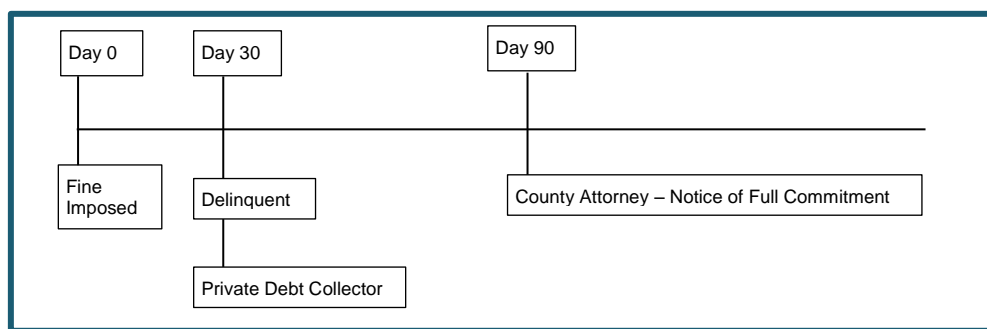
Status of Bill: House Floor  
 Committee: Appropriations (25-0)  
 Senate (50-0)  
 Lead Democrats: Rep. Oldson  
 Floor Manager: Rep. Worthan  
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### Background

At the end of session last year the Standings Bill, SF 510, contained language that changed the court debt collection process. That change took the CCU (Centralized Collection Unit under the Department of Revenue) out of collection process and replaced CCU with a private collection designee. It did not make a change to when county attorneys have the opportunity to receive debt collection, merely replaced CCU with a private collection designee. The goal of collection, no matter which entity is doing the collection, is to have the person enter into a payment plan (installment agreement) and be successful in making those payments.

Currently, 52 counties have agreements with the courts to collect delinquent court debt, with some of those counties having 28 E agreements with each other for collection. Counties with a collection program are eligible to be assigned the debt after 90 days of the debt not being paid or placed in a payment plan with either the clerk of the court or the private collection agency. Counties are required to collect a minimum of \$25,000 to continue to participate, and that dollar amount increases as the population of the county increases. Below is a chart showing the current debt collection timeline.



### Bill Summary

Senate File 2316 makes several changes regarding the county attorney's role in the collection process, and makes changes to the process regarding the suspension of a person's driver's license.

The bill changes at what point in time a county attorney is assigned the delinquent debt from 90 days to 30 days. Once debt becomes delinquent, the court will assign it to the county attorney in all counties that have a collection program or a 28E agreement with another county for collection. If the county where the debt is considered delinquent doesn't have a collection program or a 28E agreement, then the court will assign the debt to the private collection agency.

Under current law, the counties are allowed to keep 40% of the debt that they have collected, with the remaining 60% being returned to the State. Senate File 2316 changes that so that the counties retain 28% of the debt collected and the remaining 72% is returned to the State. All of the 28% collected is deposited into that county's general fund. Additionally, the bill makes changes to the dollar amount that the counties must collect, depending up population size, in order to be able to continue their collection program.

<b>County Population Size</b>	<b>Dollar Threshold Amount</b>
Less than or equal to 15,000	\$25,000
Between 15,000 and 26,000	\$50,000
Between 26,000 and 50,000	\$100,000
Between 50,000 and 100,000	\$300,000
Between 100,000 and 150,000	\$600,000
Greater than 150,000	\$1,000,000

If a county collects more than listed in the table above, more money is retained at the local level, specifically by the county attorney. For all amounts collected above the dollar amounts listed above, that county's general fund receives 28%, the county attorney retains 5%, and the remaining 67% is returned to the state.

If a person's debt is considered delinquent, the clerk of the district court is required to notify the Department of Transportation who will start the process of suspending the person's license. Language in SF 2316 allows for a person who's debt is considered to be delinquent to enter into an payment plan with either the private collection agency or the county attorney before their license is suspended, and in turn the clerk will notify the Department of Transportation of the agreement and will immediately stop the suspension process or immediately reinstate the license.

If, after entering into a payment plan, the person becomes delinquent, the bill allows for that person to provide a new financial statement and enter into a new payment plan with lower payments. This applies to payment plans with both the county attorneys and the private collector, and the person must show this new financial statement within 15 days of becoming delinquent. The entity in charge of the new payment plan must notify the clerk of district court and the person will no longer be considered delinquent and this is not considered a new payment plan.