

**As Reported by the House Finance and Appropriations  
Committee**

**124th General Assembly  
Regular Session  
2001-2002**

**Am. S. B. No. 170**

**SENATORS Harris, Amstutz, Jacobson, Spada, Carnes, Fingerhut,  
Robert Gardner, Prentiss, Hagan, Mallory, Austria, Brady, Goodman,  
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**REPRESENTATIVES Carey, Metzger, Barrett, Fedor, Widowfield, Husted,  
Hoops**

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**A B I L L**

To require each child support enforcement agency to 1  
review child support orders to determine whether 2  
federal law was complied with regarding state 3  
income tax refund intercepts and to apply certain 4  
provisions of federal law regarding assigned child 5  
support amounts, to require the Department of Job 6  
and Family Services to distribute payments 7  
consistent with the findings of the reviews, and to 8  
make an appropriation. 9

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** (A) As used in this section: 10

(1) "ADC assistance" means assistance provided pursuant to 11  
the former aid to dependent children program. 12

(2) "Assistance group" and "Ohio works first" have the same 13  
meanings as in section 5107.02 of the Revised Code. 14

(3) "Child support order" has the same meaning as in section 15

3119.01 of the Revised Code.

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(4) "Support payee" means a person who is entitled to receive support payments made under a child support order and with respect to whom both of the following apply:

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(a) The person is a member of an assistance group that applied for and began participating in Ohio works first on or after October 1, 1997.

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(b) Prior to the person's application for participation in Ohio works first, a support arrearage accrued under the child support order to which all of the following apply:

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(i) The support arrearage was collected from payments on the support arrearages and not payments of current support.

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(ii) The support arrearage was not collected pursuant to section 464 of Title IV-D of the "Social Security Act," 95 Stat. 860 (1981), 42 U.S.C. 664, as amended.

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(iii) The support arrearage was collected on and after the date the assistance group of which the person is a member ceased participating in Ohio works first.

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(B)(1) Each county child support enforcement agency shall do the following:

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(a) Conduct a review of all child support cases involving a support payee the agency is administering or has administered and apply, retroactive to October 1, 1997 through September 30, 2000, the provisions of section 457(a)(2)(B)(i)(II), (ii)(II), and (v) of Title IV-D of the "Social Security Act," 110 Stat. 2200 (1996), 42 U.S.C. 657(a)(2)(B)(i)(II), (ii)(II), and (v), as amended, to the support payees' child support orders to determine the amount of assigned support and the proper distribution of support arrearage payments;

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(b) Conduct a review of all child support cases the agency

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administered during the years 1997 through 2000 to determine  
whether refunds of paid state income taxes collected pursuant to  
sections 3123.82 to 3123.823 and 5747.121 of the Revised Code on  
and after October 1, 1997, and before October 1, 2000, and  
distributed to the state to reimburse ADC assistance or Ohio works  
first assistance were collected and distributed in accordance with  
section 457 of Title IV-D of the "Social Security Act," 88 Stat.  
2356 (1975), 42 U.S.C. 657, as amended.

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(2) Agencies shall conduct the reviews in accordance with  
rules adopted by the Department pursuant to division (D) of this  
section.

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(C)(1) Notwithstanding the Revised Code, any election made by  
the state pursuant to section 457(a)(6) of Title IV-D of the  
"Social Security Act," 111 Stat. 626 (1997), 42 U.S.C. 657(a)(6),  
as amended, or any court order establishing assigned support  
arrearage amounts, and based on reviews conducted under division  
(B)(1)(a) of this section, the Department shall distribute to  
support payees payments that represent the amount of child support  
arrearage payments that were distributed to the state instead of  
the support payees and that would have been distributed to the  
support payees if 42 U.S.C. 657(a)(2)(B)(i)(II), (ii)(II), and (v)  
had been applied retroactive to October 1, 1997, through September  
30, 2000. The payments to the support payees shall not be reduced  
by the federal share of the arrearage amount collected as provided  
in section 457 of Title IV-D of the "Social Security Act," 88  
Stat. 2356 (1975), 42 U.S.C. 657, as amended, regardless of  
whether the federal share is received by the state.

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(2) If the review conducted pursuant to division (B)(1)(b) of  
this section reveals payments that were incorrectly distributed to  
the state, the Department shall redistribute the payments in  
accordance with section 457 of Title IV-D of the "Social Security  
Act," 88 Stat. 2356 (1975), 42 U.S.C. 657, as amended.

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(3) Prior to completion of a case review under division 78  
(B)(1)(a) of this section, the Department shall distribute to 79  
support payees any assigned support collected and distributed to 80  
the state on and after October 1, 2000, other than amounts 81  
collected pursuant to section 464 of Title IV-D of the "Social 82  
Security Act," 95 Stat. 860 (1981), 42 U.S.C. 664, as amended. 83  
Support payees receiving the payments under division (C)(3) of 84  
this section shall not be required to repay those amounts to the 85  
state if it is determined later that the payments should have been 86  
retained by the state as assigned support. 87

(4) On completion of a case review under division (B)(1)(a) 88  
of this section and payment of the amounts required by divisions 89  
(C)(1) and (3) of this section, if a support arrearage amount is 90  
still subject to assignment, the Department shall collect and 91  
distribute all support arrearage amounts in accordance with 92  
section 457 of Title IV-D of the "Social Security Act," 88 Stat. 93  
2356 (1975), 42 U.S.C. 657, as amended. 94

(5) The Department shall pay, pursuant to this section, 95  
interest at the rate of six and one half per cent per annum, if 96  
the interest amount exceeds ten dollars. 97

(6) To the extent permitted under federal law, receipt of a 98  
payment pursuant to this section shall not be treated as income to 99  
the recipient for purposes of determining eligibility for benefits 100  
from means-tested government administered programs, including Ohio 101  
Works First; Prevention, Retention, and Contingency; Food Stamps; 102  
Disability Assistance; or other assistance for which eligibility 103  
is based on income or assets. 104

(D) The Department shall adopt internal management rules 105  
pursuant to section 111.15 of the Revised Code to govern the 106  
conduct of agency reviews under division (B) of this section. The 107  
Department shall adopt rules pursuant to Chapter 119. of the 108  
Revised Code governing the calculation and payment distributions 109

pursuant to division (C) of this section.

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**Section 2.** The Director of Job and Family Services may deposit into Fund 5T2, Child Support Special Payment Fund, which is hereby created in the state treasury, up to \$30.6 million of earned federal funds that the state receives from the Food and Nutrition Service in the United States Department of Agriculture, for federal fiscal years 1997, 1998, 1999, and 2000, and up to \$10.0 million of quality control audit funds returned to the state by the United States Department of Health and Human Services. The funds deposited into Fund 5T2 are hereby appropriated to appropriation item 600-652, Child Support Special Payment, and shall be used in accordance with the provisions of this act, including the costs associated with conducting the case reviews. The Director of Job and Family Services shall determine when all payments required by this act have been made and notify the Director of Budget and Management, at which time the Director of Budget and Management shall transfer all remaining funds in Fund 5T2 to the General Revenue Fund.

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**Section 3.** Until the last child support payment is distributed under this act, every six months after the effective date of this act the Director of Job and Family Services shall submit a written status report to the General Assembly on the progress of the county child support enforcement agencies and the Department of Job and Family Services in implementing the act, including the distribution of payments that the act requires the Department to make to support payees. At the same time that the Director submits the report, the Director shall also notify the Chairperson of the House Committee on Finance and Appropriations and the Chairperson of the Senate Finance Committee that the Director is prepared to give oral testimony on the status report to the committee. The Director shall present such testimony when

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requested by the Chairperson. 141

**Section 4.** The sections of law contained in this act, and the 142  
items of law of which they are composed, are not subject to the 143  
referendum. Therefore, under Ohio Constitution, Article II, 144  
Section 1d and section 1.471 of the Revised Code, sections of law 145  
contained in this act, and the items of law of which they are 146  
composed, go into immediate effect when this act becomes law. 147