

**As Reported by the Senate Finance and Financial Institutions
Committee**

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Am. S. B. No. 170

SENATORS Harris, Amstutz, Jacobson, Spada, Carnes, Fingerhut,

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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. 16

(4) "Support payee" means a person who is entitled to receive 17
support payments made under a child support order and with respect 18

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to whom both of the following apply:

(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.

(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:

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

(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.

(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.

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

(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;

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

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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.

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

(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.

(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.

(3) Prior to completion of a case review under division
(B)(1)(a) of this section, the Department shall distribute to
support payees any assigned support collected and distributed to

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the state on and after October 1, 2000, other than amounts
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.
Support payees receiving the payments under division (C)(3) of
this section shall not be required to repay those amounts to the
state if it is determined later that the payments should have been
retained by the state as assigned support.

(4) On completion of a case review under division (B)(1)(a)
of this section and payment of the amounts required by divisions
(C)(1) and (3) of this section, if a support arrearage amount is
still subject to assignment, the Department shall collect and
distribute all support arrearage amounts 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.

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

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

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

Section 2. The Director of Job and Family Services may

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deposit into Fund 5T2, Child Support Special Payment Fund, which 112
is hereby created in the state treasury, up to \$30.6 million of 113
earned federal funds that the state receives from the Food and 114
Nutrition Service in the United States Department of Agriculture, 115
for federal fiscal years 1997, 1998, 1999, and 2000, and up to 116
\$10.0 million of quality control audit funds returned to the state 117
by the United States Department of Health and Human Services. The 118
funds deposited into Fund 5T2 are hereby appropriated to 119
appropriation item 600-652, Child Support Special Payment, and 120
shall be used in accordance with the provisions of this act, 121
including the costs associated with conducting the case reviews. 122
The Director of Job and Family Services shall determine when all 123
payments required by this act have been made and notify the 124
Director of Budget and Management, at which time the Director of 125
Budget and Management shall transfer all remaining funds in Fund 126
5T2 to the General Revenue Fund. 127

Section 3. Until the last child support payment is 128
distributed under this act, every six months after the effective 129
date of this act the Director of Job and Family Services shall 130
submit a written status report to the General Assembly on the 131
progress of the county child support enforcement agencies and the 132
Department of Job and Family Services in implementing the act, 133
including the distribution of payments that the act requires the 134
Department to make to support payees. At the same time that the 135
Director submits the report, the Director shall also notify the 136
Chairperson of the House Committee on Finance and Appropriations 137
and the Chairperson of the Senate Finance Committee that the 138
Director is prepared to give oral testimony on the status report 139
to the committee. The Director shall present such testimony when 140
requested by the Chairperson. 141

Section 4. The sections of law contained in this act, and the 142

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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