

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 505

Introduced by Brewer, 43.

Read first time January 22, 2019

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to support order payments; to amend section
- 2 43-3342.03, Reissue Revised Statutes of Nebraska; to change
- 3 provisions relating to forwarded and returned payments, collection
- 4 expenses, and the State Disbursement Unit; and to repeal the
- 5 original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 43-3342.03, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 43-3342.03 (1) All support orders shall direct payment of support as
4 provided in section 42-369. Any support order issued prior to the date
5 that the State Disbursement Unit becomes operative for which the payment
6 is to be made to the clerk of the district court shall be deemed to
7 require payment to the State Disbursement Unit after a notice to the
8 obligor is issued. Support order payments made to the clerk of the
9 district court shall be forwarded to the State Disbursement Unit by
10 electronic transfer.

11 (2) The unit may collect a fee equal to the actual cost of
12 processing any payments for returned check charges or charges for
13 electronic payments not accepted, except that the fee shall not exceed
14 thirty dollars. If no response or cooperation is received from the payor
15 addressing returned checks and accompanying charges or for electronic
16 payments not received, the next payment received from such payor shall be
17 used to pay such amounts. After a payor has originated one payment ~~two~~
18 payments resulting in a returned check charges or charges for an
19 electronic payment payments not accepted within a period of two years,
20 the unit may issue a notice to the originator that, for the following
21 year, any payment shall be required to be paid by money order, cashier's
22 check, ~~or~~ certified check, or any other form of guaranteed payment as may
23 be approved by the State Treasurer. After a payor has originated two
24 payments resulting in returned checks ~~check~~ charges or electronic
25 payments not accepted, the unit may issue a notice to the originator that
26 all future payments shall be paid by money order, cashier's check, ~~or~~
27 certified check, or any other form of guaranteed payment as may be
28 approved by the State Treasurer, except that pursuant to rule and
29 regulation and at least two years after such issuance of notice, the unit
30 may waive for good cause shown such requirements for methods of payment.
31 The fees shall be remitted to the State Treasurer for credit to the State

1 Disbursement Unit Cash Fund, which is hereby created, which funds shall
2 be used to offset the expenses incurred in the collection of child
3 support bad debt and other collection expenses incurred by the State
4 Treasurer. Any money in the fund available for investment shall be
5 invested by the state investment officer pursuant to the Nebraska Capital
6 Expansion Act and the Nebraska State Funds Investment Act.

7 (3) The State Disbursement Unit shall collect overpayments received
8 by a payee or payor. This shall be done by sending a series of three
9 letters of notice of overpayment within thirty calendar days. If the
10 payee or payor has not responded to the notice letters within the thirty-
11 day timeframe, the State Disbursement Unit may use incoming child support
12 payments or refunds to pay back such overpayment. Should the State
13 Disbursement Unit deem it necessary, it will work with the payee or payor
14 in taking partial amounts of child support payments. At the direction of
15 the State Disbursement Unit, the Department of Health and Human Services
16 shall assist the State Disbursement Unit in accomplishing this goal
17 should the State Disbursement Unit need assistance.

18 (4) ~~(3)~~ The State Disbursement Unit shall use automated procedures,
19 electronic processes, and computer-driven technology to the maximum
20 extent feasible, efficient, and economical for the collection and
21 disbursement of support payments.

22 (5) ~~(4)~~ Employers with more than fifty employees who have an
23 employee with a child support order shall remit child support payments
24 electronically.

25 Sec. 2. Original section 43-3342.03, Reissue Revised Statutes of
26 Nebraska, is repealed.