

## COLLECTION OF COURT DEBT

### Prior Law

---

The Iowa Department of Revenue operates the Centralized Collection Unit (“CCU”). Other state agencies may use the CCU to collect debts owed to the agencies. The CCU may add a fee onto the debt assigned to it to recover the costs of collection.

Previously, the Iowa Code generally required the Judicial Branch to assign unpaid court debts to the CCU 30 days after assessment of the debt. The Iowa Code explicitly allowed the Department of Revenue to impose a fee for processing the court debts assigned to it. Prior to July 1, 2015, the Department of Revenue added a 15% fee for processing onto the court debt. After one year, the Judicial Branch must reassign the court debt from the CCU to a private collection designee if the debt has not been paid or placed in an established payment plan. Under Iowa Code section 602.8107(5)(b), the contract between the Judicial Branch and a private collection designee must provide for a collection fee of up to 25% of the court debt.

### New Provisions

---

The Act removes the CCU from the collection of court debt. Under the Act, the Judicial Branch generally must assign unpaid court debts to a private collection designee 30 days after assessment of the debt.

### Sections Amended

---

Section 89 of 2015 Iowa Acts Senate File 510 amends section 321.40, subsection 9, Code 2015. Section 90 amends Section 321.210A, subsection 2, Code 2015. Section 91 amends Section 321.210B, Code 2015. Sections 92-96 amends Section 602.8107, Code 2015.

### Effective Date

---

July 1, 2015