

AN ACT concerning professional regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Collection Agency Act is amended by changing Section 2.04 as follows:

(225 ILCS 425/2.04) (from Ch. 111, par. 2005.1)

(Section scheduled to be repealed on January 1, 2006)

Sec. 2.04. Child support indebtedness.

(a) Persons, associations, partnerships, or corporations engaged in the business of collecting child support indebtedness owing under a court order as provided under the Illinois Public Aid Code, the Illinois Marriage and Dissolution of Marriage Act, the Non-Support of Spouse and Children Act, the Non-Support Punishment Act, the Illinois Parentage Act of 1984, or similar laws of other states are not restricted (i) in the frequency of contact with an obligor who is in arrears, whether by phone, mail, or other means, (ii) from contacting the employer of an obligor who is in arrears, (iii) from publishing or threatening to publish a list of obligors in arrears, (iv) from disclosing or threatening to disclose an arrearage that the obligor disputes, but for which a verified notice of delinquency has been served under the Income Withholding for Support Act (or any of its predecessors, Section 10-16.2 of the Illinois Public Aid Code, Section 706.1 of the Illinois Marriage and Dissolution of Marriage Act, Section 4.1 of the Non-Support of Spouse and Children Act, Section 26.1 of the Revised Uniform Reciprocal Enforcement of Support Act, or Section 20 of the Illinois Parentage Act of 1984), or (v) from engaging in conduct that would not cause a reasonable person mental or physical illness. For purposes of this subsection, "obligor" means an individual who owes a duty to make periodic payments, under a court order, for the support

of a child. "Arrearage" means the total amount of an obligor's unpaid child support obligations.

(a-5) A collection agency may not impose a fee or charge, including costs, for any child support payments collected through the efforts of a federal, State, or local government agency, including but not limited to child support collected from federal or State tax refunds, unemployment benefits, or Social Security benefits.

No collection agency that collects child support payments shall (i) impose a charge or fee, including costs, for collection of a current child support payment, (ii) fail to apply collections to current support as specified in the order for support before applying collection to arrears or other amounts, or (iii) designate a current child support payment as arrears or other amount owed. In all circumstances, the collection agency shall turn over to the obligee all support collected in a month up to the amount of current support required to be paid for that month.

As to any fees or charges, including costs, retained by the collection agency, that agency shall provide documentation to the obligee demonstrating that the child support payments resulted from the actions of the agency.

After collection of the total amount or arrearage, including statutory interest, due as of the date of execution of the collection contract, no further fees may be charged.

(a-10) The Department of Professional Regulation shall determine a fee rate of not less than 25% but not greater than 35%, based upon presentation by the licensees as to costs to provide the service and a fair rate of return. This rate shall be established by administrative rule.

Without prejudice to the determination by the Department of the appropriate rate through administrative rule, a collection agency shall impose a fee of not more than 29% of the amount of child support actually collected by the collection agency subject to the provisions of subsection (a-5). This interim rate is based upon the March 2002 General Account Office report

"Child Support Enforcement", GAO-02-349. This rate shall apply until a fee rate is established by administrative rule.

(b) The Department shall adopt rules necessary to administer and enforce the provisions of this Section.

(Source: P.A. 90-673, eff. 1-1-99; 91-613, eff. 10-1-99.)

Section 99. Effective date. This Act takes effect upon becoming law.