

1 AN ACT concerning professional regulation.

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

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

6 (225 ILCS 425/2.04) (from Ch. 111, par. 2005.1)

7 (Section scheduled to be repealed on January 1, 2006)

8 Sec. 2.04. Child support indebtedness.

9 (a) Persons, associations, partnerships, or corporations  
10 engaged in the business of collecting child support  
11 indebtedness owing under a court order as provided under the  
12 Illinois Public Aid Code, the Illinois Marriage and Dissolution  
13 of Marriage Act, the Non-Support of Spouse and Children Act,  
14 the Non-Support Punishment Act, the Illinois Parentage Act of  
15 1984, or similar laws of other states are not restricted (i) in  
16 the frequency of contact with an obligor who is in arrears,  
17 whether by phone, mail, or other means, (ii) from contacting  
18 the employer of an obligor who is in arrears, (iii) from  
19 publishing or threatening to publish a list of obligors in  
20 arrears, (iv) from disclosing or threatening to disclose an  
21 arrearage that the obligor disputes, but for which a verified  
22 notice of delinquency has been served under the Income  
23 Withholding for Support Act (or any of its predecessors,  
24 Section 10-16.2 of the Illinois Public Aid Code, Section 706.1  
25 of the Illinois Marriage and Dissolution of Marriage Act,  
26 Section 4.1 of the Non-Support of Spouse and Children Act,  
27 Section 26.1 of the Revised Uniform Reciprocal Enforcement of  
28 Support Act, or Section 20 of the Illinois Parentage Act of  
29 1984), or (v) from engaging in conduct that would not cause a  
30 reasonable person mental or physical illness. For purposes of  
31 this subsection, "obligor" means an individual who owes a duty  
32 to make periodic payments, under a court order, for the support

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

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

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

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

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

26 (a-10) The Department of Professional Regulation shall  
27 determine a fee rate of not less than 25% but not greater than  
28 35%, based upon presentation by the licensees as to costs to  
29 provide the service and a fair rate of return. This rate shall  
30 be established by administrative rule.

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

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

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

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

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