

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

SECOND REGULAR SESSION-1998

Legislative Document

No. 2058

H.P. 1467

House of Representatives, January 15, 1998

**An Act to Ensure That Lump-sum Workers' Compensation Settlements
Are Credited to Child Support Obligations.**

(EMERGENCY)

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Judiciary suggested and ordered printed.


JOSEPH W. MAYO, Clerk

Presented by Representative BRAGDON of Bangor.

Cosponsored by Representatives: BOLDUC of Auburn, BROOKS of Winterport, BUMPS of China, CAMPBELL of Holden, DONNELLY of Presque Isle, KANE of Saco, LOVETT of Scarborough, MADORE of Augusta.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, there are parents that are receiving public
6 assistance; and

8 Whereas, some of those parents are responsible for child
support and are in arrears in making those payments; and

10 Whereas, it would benefit the children of these parents if
12 lump-sum settlements from workers' compensation claims were
applied to child support obligations; and

14 Whereas, in the judgment of the Legislature, these facts
16 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
18 necessary for the preservation of the public peace, health and
safety; now, therefore,

20 **Be it enacted by the People of the State of Maine as follows:**

22 **Sec. 1. 19-A MRSA §2360-A is enacted to read:**

24 **§2360-A. Lump-sum settlement; workers' compensation claims**

26 The department shall periodically notify the Workers'
28 Compensation Board, referred to in this section as the "board,"
30 of all persons who owe the department a child support debt that
32 has been liquidated by judicial or administrative action. Prior
34 to paying any lump-sum settlement that must be paid directly by
36 the board, the board shall determine whether the person is on the
38 list of persons who owe a child support debt to the State that
40 has been liquidated by judicial or administrative action. If the
42 person is on a list of persons who owe child support debts, the
44 board shall suspend payment of the lump-sum settlement and notify
46 the person of its intention to offset the person's child support
48 debt against the lump-sum settlement. The board shall notify the
50 person of the person's right to request a hearing before the
department within 15 days of the person's receipt of that
notice. The hearing is limited to the questions of whether the
debt is liquidated and whether post-liquidation events have
affected the person's liability. The decision of the department
as to the existence of a liquidated debt constitutes final agency
action. If, within 90 days of the notice of intended setoff to
the person, the department certifies to the board that the person
did not make a timely request for hearing or that a hearing was
held and the debt was upheld, the board shall offset the
liquidated debt against the lump-sum settlement due to the
person. Any money remaining from the lump-sum settlement is paid

2 to the person. If the board does not hear from the department
4 within 90 days of the notice of intended setoff to the person,
6 the board shall release all of the lump-sum settlement to the
8 person.

6 **Emergency clause.** In view of the emergency cited in the
8 preamble, this Act takes effect when approved.

10 SUMMARY

10 The purpose of this bill is to ensure that child support
12 obligations are met by applying any lump-sum settlement from a
14 workers' compensation claim to any outstanding child support
obligation.