

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0491-02
Bill No.: SB 55
Subject: Children and Minors; Family Law; Courts
Type: Original
Date: January 29, 2007

Bill Summary: The proposal modifies the law on the establishment of paternity.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Child Support Enforcement Collections	(More than \$34,000)	(More than \$34,000)	(More than \$34,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(More than \$34,000)	(More than \$34,000)	(More than \$34,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal	(More than \$66,000)	(More than \$66,000)	(More than \$66,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(More than \$66,000)	(More than \$66,000)	(More than \$66,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Attorney General (AGO)** assume, to the extent this proposal impacts any child support cases currently being handled by the AGO, any costs can be absorbed within existing resources.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Social Services (DOS)** assume the proposal provides that petitions to set aside paternity will be served upon the opposing party or other legal guardian or custodian. Family Support Division (division) staff assume the division would be deemed an “opposing party” in actions where the division brought the action to establish paternity and/or the support order and in actions where the division otherwise has a legal interest. Therefore, the division will require legal representation in such actions. The division is unable to estimate the number of petitions that may be filed under the proposed legislation. Legal representation in such actions is provided by the Office of the Attorney General. Therefore, the division expects any need for additional legal staff to be addressed by that office.

In actions where the court grants relief by setting aside a previous paternity judgment, the division would be required to cease enforcement services on the case and begin action to again establish paternity for the child(ren) in question, assuming the custodial parent/custodian continues to receive the division’s services. The division believes that these activities can be completed with existing staff.

The division assumes that any past due support that accrued under the support order would no longer be due once the order is set aside. An undeterminable amount of past due support assigned to the state for periods when children received public assistance would no longer be due the state in such actions.

If relief from the paternity judgment is allowed, this will create a cause of action to recover support that was previously paid under the order and the division will have an unknown liability for support that was collected and/or retained by the division.

ASSUMPTION (continued)

If the state was determined to be liable for support collected and/or retained by the division, the amount of liability would be unknown. The Family Services Division assumes the following impact:

For the collections that were retained by the division, DOS assumes the liability incurred would be Unknown greater than \$100,000. This would impact the following funds:

Unknown greater than \$34,000 Child Support Enforcement Collections (CSEC) Fund; and
 Unknown greater than \$66,000 Federal Funds.

For the collections that were collected and passed on to families, DOS assumes the liability incurred would be:

Unknown greater than \$100,000 General Revenue.

*Depending on the amount of lost CSEC, the DOS may need to request General Revenue to replace lost CSEC Funds.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Costs – Department of Social Services</u>			
Liability for collections retained/distributed	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2008	FY 2009	FY 2010
(continued)	(10 Mo.)		

**CHILD SUPPORT ENFORCEMENT
 COLLECTIONS FUND**

Costs – Department of Social Services
 Liability for collections
 retained/distributed

<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>\$34,000)</u>	<u>\$34,000)</u>	<u>\$34,000)</u>

**ESTIMATED NET EFFECT ON
 CHILD SUPPORT ENFORCEMENT
 COLLECTIONS FUND**

<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>\$34,000)</u>	<u>\$34,000)</u>	<u>\$100,000)</u>

FEDERAL FUND

Costs – Department of Social Services
 Liability for collections
 retained/distributed

<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>\$66,000)</u>	<u>\$66,000)</u>	<u>\$66,000)</u>

**ESTIMATED NET EFFECT ON
 FEDERAL FUND**

<u>(More than</u>	<u>(More than</u>	<u>(More than</u>
<u>\$66,000)</u>	<u>\$66,000)</u>	<u>\$66,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008	FY 2009	FY 2010
	(10 Mo.)		

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

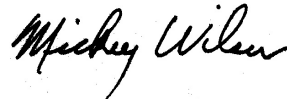
FISCAL DESCRIPTION

The proposed legislation provides that a petitioner may, at any time, file a petition to challenge the determination of paternity of a man who is under order to pay child support, upon filing an affidavit stating that newly discovered evidence has come to the petitioner's knowledge since the entry of judgment. The court shall grant relief on a petition filed in accordance with the requirements upon a finding that the genetic testing was properly conducted and factually accurate.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of State Courts Administrator
Department of Health and Senior Services
Department of Social Services



Mickey Wilson, CPA
Director
January 29, 2007