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FISCAL IMPACT REPORT

SPONSOR: Altamirano DATE TYPED: 02/07/03 HB _____

SHORT TITLE: Child Support Payments as Unclaimed Property SB 427

ANALYST: Weber

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		See Narrative	Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

Near duplicate to HB 536

SOURCES OF INFORMATION

Responses Received From
Human Services Department

SUMMARY

Synopsis of Bill

Senate Bill 427 amends sections of the Uniform Unclaimed Property Act to exempt from its provisions child, spousal, or medical support collected by the Human Services Department's (HSD) Child Support Enforcement Division (CSED). SB 427 would add a provision under the Single State Agency Section (27-2-27) to authorize HSD to adopt regulations for the disposition of unclaimed payments and revises the numbering of that section.

Significant Issues

The enactment of SB 427 would bring HSD into conformance with Federal regulations (CFR 304.50, as interpreted in OCSE Action Transmittal 89-12 and subsequent Policy Information Questions 97-02 and 99-02) that require state IV-D programs to utilize unclaimed child support disbursements as program income and deduct the same from the amount claimed under program expenditures.

FISCAL IMPLICATIONS

If SB 427 is not enacted, there is a risk of loss of Federal revenue. An estimate of \$199,868 per year of undisbursed and suspended collections will become unclaimed property. This amount would become eligible to fund the CSED program; however, the additional revenue would be offset by the same amount that would be subtracted from CSED administrative costs eligible for claiming at the Federal participation rate.

ADMINISTRATIVE IMPLICATIONS

HSD would have to promulgate regulations for implementing SB 427. Accounting systems would have to be modified to account for the reversion of funds to CSED, and adjustments to Federal reporting would be necessary.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 427 is nearly an identical duplication with HB 536. HSD considers the language in HB 536 to be slightly clearer.

TECHNICAL ISSUES

The language in SB 427 added under 27-2-27.A. (4) implies, by its placement in this paragraph, that unclaimed property only pertains to “non-aid” families. Actually, unclaimed property may have been paid on behalf of families on assistance. SB 536 Section 27-2-27.A (4) (new numbering) could be left as is. A new paragraph of SB 427 , 27-2-27.A. (5) could be added stating: “adopting regulations for the disposition of unclaimed payments.” This would remedy the implication that unclaimed property only exists for non-assistance cases.

MW/prr