

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2947-04
Bill No.: SB 703
Subject: Bonds – Surety; Children and Minors; Courts; Family Law; Marriage and Divorce; Department of Social Services
Type: Original
Date: January 12, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume the proposal would not impact the administration of the child support disbursements and receipts.

Officials from the **Office of State Courts Administrator (CTS)** assume there will be judicial time required to determine what the appropriate bond should be (this might require a hearing), and clerical time required to process the bonds. There were 9,478 motions to modify filed in FY 03. CTS does not know how many involved child support arrearages. CTS speculates there is a slight possibility the bond requirement might deter a few people from filing a motion. There may be a workload increase in some courts, but at this time, CTS cannot quantify a specific fiscal impact.

Oversight assumes the Office of State Courts Administrator could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of the courts would be reflected in future budget requests.

ASSUMPTION (continued)

Officials from the **Department of Social Services – Division of Family Support/Child Support Enforcement (FSD)** assume disputes of arrearage amounts could cause more phone calls and correspondence to child support staff, possibly increasing the workload of technicians. There could be an increase in the number of payments coming into the Department of Revenue – Family Support Payment Center, many of them from individuals who do not have a case with the child support agency. New policies for circuit clerk and child support staff would have to be developed to address the changes set forth in this proposal. The circuit clerks may also see an increase in their workload. FSD assumes the fiscal impact of this proposal is unknown at this time. FSD is unable to estimate the number of custody modifications that will be effected by the proposal, so FSD is unable to estimate the increase in work that may result from this legislation. Likewise, there could be an impact on the amount of reimbursement made to the county clerks, but that amount is unknown. DFS assumes the fiscal impact of this proposal is unknown, but less than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Costs – Department of Social Services</u>			
Increased workload	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

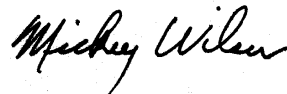
DESCRIPTION

The proposed legislation would provide that if a person files a petition for modification of child custody and owes past due child support, then he or she must post a bond in the amount of the past due child support owed or the reasonable legal fees of the custodial parent, whichever is greater, prior to filing the petition. The bond would be held in escrow by the court until the modification proceedings have been concluded. Then the bond would be transmitted to the Division of Child Support Enforcement for disbursement to the custodial parent.

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 State Courts Administrator
Department of Social Services
 – Division of Family Support/Child Support Enforcement
Department of Revenue



Mickey Wilson, CPA
Director
January 12, 2004