



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1350

FISCAL NOTE

Drafting Number: LLS 20-0993
Prime Sponsors: Rep. Froelich, Sen. Crowder

Date: March 26, 2020
Bill Status: House Public Health
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Bill Topic: CHILD SUPPORT COMMISSION RECOMMENDATIONS

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill implements the recommendations of the Colorado Child Support Commission. The bill will increase state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill implements the recommendations of the Colorado Child Support Commission. These recommendations include:

- updating the amount of income-determination adjustments for a non-custodial parent whose gross incomes is less than \$1,500 per month and who owes child support for children who are not shared in joint responsibility;
clarifying that an obligator with adjusted gross income to between \$650 and \$1,500 per month must have their income adjusted for any Old-Age, Survivors, and Disability Insurance or employer-paid retirement benefits;
creating child support amounts in the basic child support guidelines for parents with a combined adjusted gross income of \$1,500 per month;
clarifying that courts must include all parties for proceedings on parent responsibilities and can make a determination of parentage during these proceedings;
changing the amount of interest charged on unpaid child support from 4 percent above the statutory limit to 2 percent above the statutory limit and requiring parties requesting interest payments to file a motion 63 days after a child is emancipated;

- removing outdated sections of statute concerning income assessments;
- allowing an obligee, obligee representative, or child support unit to immediately activate an income assessment and requiring employers to report and withhold income from lump sum payments;
- requiring a court to review any agreements between parties to not immediately activate an income assessment;
- allowing the Department of Human Services (DHS) to set payment of arrears;
- clarifying that a juvenile court has concurrent jurisdiction with a dependency and neglect court when determining parentage;
- removing the limit on how much a court can increase child support payments;
- allowing the DHS to put a lien against any settlements of more than \$1,000 from life insurance or annuity contracts and requires the settlements to be reported to the DHS; and
- clarifying the definition of employee and employer for the state employee directory.

State Expenditures

State expenditures in the DHS will increase in FY 2020-21 only and workload in the DHS and the Judicial Department will be affected on an ongoing basis starting in FY 2020-21. These impacts are discussed in more detail below.

Department of Human Services. In FY 2020-21 only, the bill will increase expenditures in the DHS in order to make enhancements to the Automated Child Support Enforcement System. It is estimated that these enhancements will take 80 hours of development work and can be accomplished within existing appropriations. On an ongoing basis, the bill will increase workload in the DHS to the extent the department, rather than the courts, sets payments of arrears. This increase in workload can be accomplished within existing appropriations.

Judicial Department. Starting in FY 2020-21, this bill will affect workload in the Judicial Department in the following ways. First, to the extent there are more contested hearings because the courts must involve all parties in hearings on parental responsibility, workload in trial courts will increase. In addition, workload will increase to review any agreements on delaying an income assessment. However, workload will decrease to the extent there are fewer cases filed for interest payments on unpaid child support due to the deadline imposed by the bill. In addition, workload will decrease to the extent the DHS determines payments of arrears, rather than the courts. Finally, by establishing concurrent jurisdiction, workload for one trial court may increase while workload in another will decrease. The fiscal note assumes that all impacts to trial courts will be minimal and no change in appropriations is required.

Effective Date

The bill takes effect July 1, 2020.

State and Local Government Contacts

Counties Human Services Information Technology Judicial