



**Colorado
Legislative
Council
Staff**

HB16-1165

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0409 **Date:** June 7, 2016
Prime Sponsor(s): Rep. Becker K.; Landgraf **Bill Status:** Signed into Law
 Sen. Crowder **Fiscal Analyst:** Chris Creighton (303-866-5834)

BILL TOPIC: COLORADO CHILD SUPPORT COMMISSION STATUTORY CHANGES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	Potential increase.	
State Expenditures	Workload increase.	
TABOR Impact		Potential increase.
Appropriation Required: None.		
Future Year Impacts: Ongoing potential revenue and workload increase.		

Summary of Legislation

This bill amends child support guidelines and related statutes based on the findings of the Colorado Child Support Commission. These changes include:

- allowing for the placement of a lien on insurance claims for the purpose of meeting past due child support obligations;
- changing the formula to determine gross income to include child support that is obligated to be paid for another child;
- requiring the annual exchange of information relevant to child support calculations;
- changing the reasonable cost threshold percentage for the enforcement of court-ordered medical support from 20 percent to 5 percent;
- adding instances where one parent spends substantially more time with the child to the list of allowable court deviations from basic child support obligations;
- limiting the period for when a party can seek retroactive child support to five years; and
- adding language providing notice to presumptive fathers.

State Revenue

This bill potentially increases cash fund revenue in the Judicial Department from filing fees. When a child support order is entered or modified, a motion to modify that order can be filed. If this motion is filed within 60 days of the order, no filing fee is assessed. If the motion is filed more than 60 days after the order, then a \$105 filing fee is assessed. Because it is unknown how many motions will be filed and whether or not they will be filed within 60 days, the impact on state revenue is cannot be estimated.

TABOR Impact

This bill potentially increases state revenue from filing fees, which could increase the amount of money required to be refunded under TABOR in FY 2017-18. TABOR refunds are paid out of the General Fund. TABOR refund obligations are not expected for FY 2016-17.

State Expenditures

This bill increases workload in the Department of Human Services and the Judicial Department. These impacts are discussed below.

Department of Human Services. An initial workload impact is expected in FY 2016-17 in the Department of Human Services to implement this bill. Staff time is needed to update administrative seizure processes to include insurance claims, make changes to the automated child support enforcement system, and update state regulations concerning child support. It is anticipated that this increase in workload will be minimal and can be absorbed within existing appropriations.

Judicial Department. Under this bill, the Judicial Department will have an ongoing workload increase. Currently parties exchange financial information at the discretion of the court and pursuant to any existing child support agreement. The requirement that parties exchange financial information annually will increase the frequency for which financial information is seen by both parties and will likely increase the number of motions filed to modify existing child support orders. This change increases workload for the trial courts to process the motion, review the filing, and conduct a hearing. It is anticipated that this workload increase can be absorbed within existing appropriations. This workload increase may be offset by a reduction in lengthy child support modification hearings that can result from infrequent financial information exchanges.

Local Government Impact

This bill may increase county workload to ensure that the exchange of financial information occurs in a timely manner. This impact is assumed to be minimal.

Effective Date

This bill was signed into law by the Governor on May 4, 2016, and the bill will take effect on January 1, 2017.

State and Local Government Contacts

Counties Law	Human Services Information Technology	Judicial Revenue
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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: www.colorado.gov/fiscalnotes.