### HB 548-FN - AS INTRODUCED

### 2023 SESSION

### 23-0090 06/04

# HOUSE BILL**548-FN**AN ACTrelative to the definition of compliance with a legal support order for child support<br/>payments.SPONSORS:Rep. Spillane, Rock. 2; Rep. Edwards, Rock. 31; Rep. Notter, Hills. 12; Rep.<br/>DeSimone, Rock. 18COMMITTEE:Children and Family Law

# ANALYSIS

This bill modifies the definition of compliance with a legal support order to include smaller dollar amounts in arrearage and any obligor that is fewer than 60 days in arrears.

Explanation:Matter added to current law appears in **bold italics.**<br/>Matter removed from current law appears [in brackets and struckthrough.]<br/>Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

### HB 548-FN - AS INTRODUCED

### STATE OF NEW HAMPSHIRE

### In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the definition of compliance with a legal support order for child support payments.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Support of Dependent Children; Definitions; Compliance. Amend RSA 161-B:2, III to read as  $\mathbf{2}$ follows: 3 III. "Compliance with a legal order of support" means: 4 (a) The obligor is fewer than 60 days in arrears for payment of ongoing child support pursuant to a legal order of support payable to or through the department [and has obtained or  $\mathbf{5}$ 6 maintained health insurance coverage as required by a legal order of support]; 7(b) The obligor is making ongoing periodic support payments pursuant to the legal order 8 of support and is making periodic or lump sum payment on a support arrearage in accordance with 9 the obligor's ability to pay and pursuant to a legal order of support; 10(c) The obligor's wages are assigned pursuant to RSA 458-B and the wage assignment, pursuant to a court order or pursuant to RSA 458-B:4, addresses arrearages; [or] 11 12(d) In cases involving arrearages only, the obligor is making periodic or lump sum 13payments on the support arrearage pursuant to a court order or pursuant to a wage assignment 14under RSA 458-B:4; or 15(e) The obligor's total amount in arrearage is \$25 or less. 162 Effective Date. This act shall take effect 60 days after its passage.

LBA 23-0090 Revised 3/6/23

# HB 548-FN- FISCAL NOTE AS INTRODUCED

AN ACT relative to the definition of compliance with a legal support order for child support payments.

FISCAL IMPACT: [X] State [] County [X] Local [] None

|                 | Estimated Increase / (Decrease) |  |  |  |
|-----------------|---------------------------------|--|--|--|
| STATE:          | FY 2023                         | FY 2024  | FY 2025  | FY 2026  |
| Appropriation   | \$0                             | \$0  | \$0  | \$0  |
| Revenue         | \$0                             | Indeterminable<br>impact on federal<br>funding | Indeterminable<br>impact on federal<br>funding | Indeterminable<br>impact on<br>federal funding |
| Expenditures    | \$0                             | Indeterminable<br>Increase                     | \$0  | \$0  |
| Funding Source: | [ X ] General<br>Federal Funds  | [ ] Education                                  | [ ] Highway                                    | [ X ] Other -                                  |

## **METHODOLOGY:**

This bill modifies the definition of compliance with a legal order for child support payments by: (1) removing the requirement that the obligor obtain or maintain health insurance coverage as required by a legal order of support; and (2) stipulating that an obligor is in compliance if the total amount in arrearage is \$25 or less.

The Department of Health and Human Services states that the change in (1) above is in conflict with federal regulations. The Department cites 45 CFR 303.31, which requires states to petition courts to include health coverage, if available, in orders for support. The Department further states that federal regulations require it to take into account both delinquent child support payments and "other support-related non-compliance with the order." Accordingly, the Department states that if an obligor parent has been ordered to provide health insurance for a minor child but fails to do so, federal regulations require that the Department find the parent non-compliant with the court order. The Department states that this conflict with federal regulations could result in federal funds being withheld from the state; in an extreme scenario in which the federal government revoked all funding it is authorized to revoke, the loss to the state would be approximately \$16.7 million per year (\$13.6 million in operational funding, \$1.2 million in child support performance measurement incentive funds, and \$1.9 million in Temporary Assistance for Needy Families (TANF) block grant funds).

The Department states that the change in (2) above could potentially require changes to the New England Child Support Enforcement System (NECSES). Such IT changes may result in an indeterminable one-time cost to the state. The Department notes that any such changes would be funded with 66 percent federal funds and 34 percent state general funds.

It is assumed that any fiscal impact will begin in FY 2024.

# **AGENCIES CONTACTED:**

Department of Health and Human Services