

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 101 – HB 90

March 10, 2015

SUMMARY OF ORIGINAL BILL: Grants a child support agency, obligor, or obligee the right to compromise and settle a child support arrearage balance owed directly to the obligee if the court approves the compromise. The compromise can only be used to forgive accrued principal and interest on delinquent child support with the approval of the obligee in writing and cannot include any monies owed to the State of Tennessee or any other state.

Eligibility for the compromise and settlement of child support arrearages is based on the obligor's full payment of the child support obligation for a minimum of six months immediately preceding the compromise and settlement. The program shall operate uniformly across the state and shall take into consideration the needs of the child or children and the obligor's ability to pay.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004046): Deletes all language after the enacting clause. Grants an obligor or obligee the right to compromise and settle a child support arrearage balance owed directly to the obligee if the court approves the compromise. The compromise can only be used to forgive accrued principal and interest on delinquent child support with the approval of the obligee in writing and cannot include any monies owed to the State of Tennessee or any other state. Requires the Department of Human Services, or its contractors, to be a party to the action in all Title IV-D cases.

Eligibility for the compromise and settlement of child support arrearages is based on the obligor's full payment of the child support obligation for a minimum of 12 months immediately preceding the compromise and settlement. The program shall operate uniformly across the state and shall take into consideration the needs of the child or children and the obligor's ability to pay.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

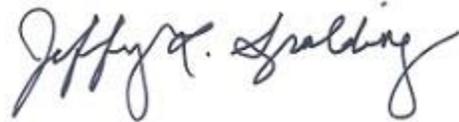
Assumptions for the bill as amended:

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- The provisions of the bill as amended may reduce the amount of child support a private party is owed. Any fiscal impact due to the reduction in child support arrearages will be borne by the private party and will not have an impact on state or local government.
- According to the Department of Human Services (DHS), any increase in expenditures incurred by staff to administer the compromise and settlement program in Title IV-D cases can be accommodated within existing resources.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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