

**SB**

**154**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 9, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/10/97

The FINANCE Committee considered:

CSSB 154(FIN) am

CS FOR SENATE BILL NO. 154(FIN) am

CHILD SUPPORT & PATERNITY

"An Act making statutory changes that will be repealed on July 1, 1999, relating to paternity determination and child support; making statutory changes that will be repealed on July 1, 1999, relating to reporting of and access to financial or other information for child support purposes; making statutory changes that will be repealed on July 1, 1999, to laws relating to occupational licenses, crewmember fishing licenses, drivers' licenses, and other permits, certificates, or other authorizations issued by the state, other than recreational fishing and hunting licenses, to facilitate administration of child support laws; making statutory changes that will be repealed on July 1, 1999, relating to immunity from civil liability for good faith compliance with reporting or other requirements for child support purposes; making statutory changes that will be repealed on July 1, 1999, relating to voiding fraudulent transfers and to penalties for noncompliance with orders for child support purposes; making statutory changes that will be repealed on July 1, 1999, providing that an obligor will be considered to be in substantial compliance with a support order or payment schedule if a court determines that the obligor is making the best efforts possible to have no arrearages; making statutory changes

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) Court  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) (3) HSS, 4/29/97

Don / 4/29/97  
CEB 4/29/97 Don 4/29/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Ferricault</i>	Therriault			X	
<i>John Guld</i>	Mulder	✓		<del>W</del>	
<i>Terry Martin</i>	Martin			X	
<i>Vic Kohnig</i>	Kohnig		X		
<i>John Davis</i>	J. Davis			X	
<i>Ben Grussendorf</i>	Grussendorf			X	
<i>Joseph Moses</i>	Moses			X	
<i>John Davis</i>	J. Davis			X	
<i>Kelly</i>	Kelly			X	
<i>Foster</i>	Foster	X			

CHAIR'S SIGNATURE

*Gene Ferricault*

REPORTED OUT OF

HFC ADMIN ACCOUNTING

Repland 2002

FISCAL NOTE

No. 4  
 Bill Version: CSSB 154(HES)  
 (S) Publish Date: 4/29/97

STATE OF ALASKA  
 1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: Child Support Obligations BRU: Trial Courts  
 Sponsor: Sen. Pearce Component: \_\_\_\_\_  
 Requestor: Sen. HESS COMPONENT SERIAL NO. 788

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (						

Fund Sources (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: None

Positions

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Although SB 154 increases the types of licenses subject to revocation, no significant increase in court reviews is anticipated as most hunting, fishing, and crewmen license revocations will be done concurrently with driver's license revocations.

Note that the court will see an increase in the number of actions related to people hunting, fishing, and crewing without a license. Because the number of such cases cannot be accurately assessed, no cost is estimated.

Prepared by: Doug Wooliver, Administrative Attorney Phone: 284-8228  
 Agency: Alaska Court System Date: 04/28/97

Approved by: Stephanie J. Cole, Acting Administrative Director Date: 04/28/97  
 Agency: Alaska Court System

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# FISCAL NOTE

*for low  
replaces of  
A/C Ct. Sys*

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 154 (FIN) AM

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: Child Support Obligations BRU: Trial Courts  
 Component: \_\_\_\_\_  
 Sponsor: Sen. Pearce  
 Requestor: House Finance COMPONENT SERIAL NO. 788

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
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**Fund Source** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL						

Estimate of any current year (FY 97) cost: None

**Positions**

Full-Time						
Part-Time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

See attached analysis.

Prepared by: Doug Wooliver, Administrative Attorney Phone: 264-8228  
 Agency: Alaska Court System Date: 05/09/97

Approved by: Stephanie J. Cole, Acting Administrative Director Date: 05/09/97  
 Agency: Alaska Court System

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Alaska Court System  
Fiscal Analysis  
CSSB 154 (FIN) AM

As amended on the Senate floor, CSSB 154 (FIN) am will have a substantial impact on judicial review of license revocations. Under existing law, review of license revocations is limited to a determination of three issues: first, whether there is a support order or payment schedule; second, whether the petitioner is the obligor covered by the support order; and third, whether the obligor is in substantial compliance with the support order or payment schedule (defined as being not more than four months in arrearage). Answers to these three questions are straightforward and not subject to interpretation; the court has no discretion to consider extenuating circumstances. As a result, the issues are very easy for the court to resolve. The average case takes approximately one-half hour, including the time spent reviewing the documents, holding the hearing, and preparing an order. Moreover, the percentage of obligors who request a judicial review of revocations is relatively low, since the obligor knows what the answers are, and knows that the court does not have the discretion to make exceptions.

Section 120 of CSSB 154 (FIN) am adds a fourth issue: the court must determine if the obligor is making the best efforts possible under the obligor's circumstances to have no arrearages. The addition of this factor takes what was an almost ministerial task and turns it into an inquiry requiring the exercise of substantial judicial discretion. Exercising this discretion will require taking both factual evidence and legal argument regarding "best efforts possible" and "obligor's circumstances." Individual cases can be expected to take substantially longer than one-half hour. More significantly, a dramatic increase in the percentage of obligors who petition the court to review their revocation can be expected.

It is anticipated that section 120 will cause a substantial increase in court costs relating to the review of license revocations. Because the conference committee has completed its work on the operating budget and the court system has had only a few months experience with license revocation petitions under existing law, this fiscal note does not attempt to estimate costs. However, we will in all likelihood need to return for additional funding next session.

Alaska Court System  
Fiscal Analysis  
CSSB 154 (FIN) AM

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Section 120 of CSSB 154 (FIN) am adds a fourth issue: the court must determine if the obligor is making the best efforts possible under the obligor's circumstances to have no arrearages. The addition of this factor takes what was an almost ministerial task and turns it into an inquiry requiring the exercise of substantial judicial discretion. Exercising this discretion will require taking both factual evidence and legal argument regarding "best efforts possible" and "obligor's circumstances." Individual cases can be expected to take substantially longer than one-half hour. More significantly, a dramatic increase in the percentage of obligors who petition the court to review their revocation can be expected.

It is anticipated that section 120 will cause a substantial increase in court costs relating to the review of license revocations. Because the conference committee has completed its work on the operating budget and the court system has had only a few months experience with license revocation petitions under existing law, this fiscal note does not attempt to estimate costs. However, we will in all likelihood need to return for additional funding next session.

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 7  
Bill Version: CS SB 154(HES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_  
Title: Paternity Determination and Child Support  
Sponsor: Pearce  
Requestor: S HESS

Dept. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: DFYS Central Office  
COMPONENT SERIAL NO. 359  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary.)

The Division of Family and Youth Services does not have sufficient information to estimate whether CSED collections on the Division's behalf will have any fiscal impact.

5/15/97
 Prepared by: L. Diane Worley, Director Phone: 465-3191  
 Division: Family & Youth Services Date: 04/10/97  
 Approved by Commissioner: Karen Pearce, Commissioner Date: 4/17/97  
 Agency: Department of Health & Social Services

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FISCAL NOTE

No. 6  
 Bill Version: C.S.B.154(HES)  
 (S) Publish Date: 4/29/97

STATE OF ALASKA  
 1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Child Support and Paternity  
 Sponsor: Senator Pearce  
 Requestor: S. HESS

Department Affected: Administration  
 BRU: Motor Vehicles  
 Component: Driver Services, Field Services  
 COMPONENT SERIAL NO. 0501, 0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE: (Thousands of Dollars)

02 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Section 150 is the only section in the bill that relates to the Division of Motor Vehicles (DMV). Section 150 does not have any fiscal impact to DMV.

Prepared by: Juanita M. Hensley Phone: 465-2650  
 Division: Motor Vehicles Date: 4/21/97  
 Approved by Commissioner: Mark Bover *Mark Bover*  
 Agency: Department of Administration Date: 4/21/97

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 5  
Bill Version: CSSB 154(HES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_  
Title: Paternity Determination and Child Support

Dept. Affected: Health and Social Services  
BRU: Public Assistance

Sponsor: Senator Drue Pearce  
Requestor: HESS, Finance

Component: ATAP  
COMPONENT SERIAL NO. 220  
See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary)

The proposed legislation, if enacted and adequately funded, will increase child support collections. Presuming that the increase in collections includes additional support payments for dependent children receiving assistance from ATAP, DPA should see an increase in designated general fund program receipts.

If CSED is unable to implement provisions of this legislation, CSED will be out of compliance with federal law (PL104-193). Failure to comply with federal law results in a penalty of up to 5% of the federal TANF block grant. Federal law also requires that in the year following a reduction in the TANF grant due to a penalty, the state must increase its spending by an amount equal to the penalty. The penalty for non-compliance could be as much as \$3,150,000 in the first year.

DPA does not have enough information to determine the fiscal impacts of this legislation.

Prepared by: Jim Nordlund  
Division: Public Assistance  
Approved by Commissioner: Karla Pearce, Commissioner  
Agency: Department of Health & Social Services

Phone: 45-3349  
Date: 04/14/97  
Date: 7/17/97

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 3  
Bill Version: CS SB 154(HES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to paternity determination and child support ...  
Sponsor: Senator Pearce  
Requestor: Senate HESS

Department: Commerce and Economic Development  
BRU: Occupational Licensing  
Component: Operations

COMPONENT SERIAL NO. \_\_\_\_\_ 1844

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 97) cost. \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

SB 154 amends the Centralized Licensing statutes of AS 08.01 to: 1) require the social security number of applicants; 2) allow copies of records maintained for child support enforcement purposes to be copied to other child support enforcement agencies; and 3) prohibit the renewal of a license unless a social security number is provided. New funds are not required to implement these provisions.

Prepared by: Jennifer Strickler, Administrative Manager  
Division: Occupational Licensing  
Approved by Commissioner: William L Hensley  
Agency: Commerce and Economic Development

Phone: 465-2144  
Date: 4/22/97  
Date: 4-27-97

Revision Date: \_\_\_\_\_ Date Affect: \_\_\_\_\_ Revenue \_\_\_\_\_  
 Title: Child Support and Paternity BR #: Child Support Enforcement  
 Component: Child Support Enforcement  
 Sponsor: Senator Pearce  
 Requestor: (S) HES COMPONENT SERIAL NO. 111

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1007 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

While this fiscal note reflects no increased operating funds associated with this legislation, there are continuing increases in federal requirements. These increases will continue to drive up the costs of collecting child support. To meet these increasing federal demands each state must review its operating procedures and workflow requirements and determine if these are best met with an increase of personnel and contracting for services or with further automation.

Past experience has shown that adding modest increments has ultimately resulted in an increase in revenues that meet or exceed the general fund increment. In a different budget atmosphere, we would have asked for funding authority for an additional \$2.2 million. Of that amount \$680,000 would have been general fund appropriation. Because of the intense focus on the general fund line (regardless of any corresponding increase in revenue), we have not asked for more operating funds. In addition, a review of workflow within the Division indicates that an increase in automation would provide a better solution at this time. With the maximum use of technology (and capital budget), we can better attempt to meet federal requirements without additional operating costs.

Prepared by: Glenda Staube  
 Division: Child Support Enforcement  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 269-6801  
 Date: April 25, 1997  
 Date: April 25, 1997

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STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 1  
Bill Version: CS 9B154 (HES)  
(S) Publish Date: 4/29/97

Revision Date: 04/25/97  
Title: Paternity Determination & Child Support  
Sponsor: Pearce  
Requestor: Senate HESS

Dept. Affected: Health and Social Services  
BRU: State Health Services  
Component: Bureau of Vital Statistics  
COMPONENT SERIAL NO. 961  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Division of Public Health is submitting this revised fiscal note to reflect a zero cost. The Bureau of Vital Statistics will be able to reduce the one time costs by performing the reprogramming of the vital records file in house through the utilization of the two staff Analyst/Programmers. The remaining costs of \$4.7 will be covered by the current budget allocation.

*Signature*  
5/4/97

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health  
Approved by Commissioner: Caren Ferenc, Commissioner  
Agency: Department of Health & Social Services

Phone: (907) 465-3090  
Date: 04/25/97  
Date: 4/25/97

Engrossment has been waived  
in accordance with  
Uniform Rule 43(b).

Certified amendment(s) attached.

**CS FOR SENATE BILL NO. 154(FIN) am**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Amended: 5/9/97**  
**Offered: 5/8/97**

**Sponsor(s): SENATOR PEARCE**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making statutory changes that will be repealed on July 1, 1999,  
2 relating to paternity determination and child support; making statutory changes  
3 that will be repealed on July 1, 1999, relating to reporting of and access to  
4 financial or other information for child support purposes; making statutory  
5 changes that will be repealed on July 1, 1999, to laws relating to occupational  
6 licenses, crewmember fishing licenses, drivers' licenses, and other permits,  
7 certificates, or other authorizations issued by the state, other than recreational  
8 fishing and hunting licenses, to facilitate administration of child support laws;  
9 making statutory changes that will be repealed on July 1, 1999, relating to  
10 immunity from civil liability for good faith compliance with reporting or other  
11 requirements for child support purposes; making statutory changes that will be  
12 repealed on July 1, 1999, relating to voiding fraudulent transfers and to

AMENDMENT #1

OFFERED IN THE SENATE  
TO: CSSB 154 (FIN)

BY SENATOR HALFORD

Page 2, line 2 to Page 3, line 11

Delete **Section. 1** and replace with the following :

**Section 1. FINDINGS; INTENT.** (a) The legislature finds that the federal requirements are unreasonable and constitutionally questionable, and the statutory changes that must be made to meet the federal requirements may do little to improve collections. These statutory changes are being made only under duress from the federal government.

CERTIFIED AMENDMENT

Nancy Quinto  
Secretary of the Senate

*Revised*

O-I 50853\H.17  
Lauterbach  
5/9/97

AMENDMENT # 2

OFFERED IN THE SENATE  
TO: CSSB 154(FIN)

BY SENATORS HALFORD, TORGERSON

CERTIFIED AMENDMENT

Nancy Quinto  
Secretary of the Senate

1 Page 1, lines 1 - 8:

2 Delete all material and insert:

3 **""An Act making statutory changes that will be repealed on July 1, 1999, relating to**  
4 **paternity determination and child support; making statutory changes that will be**  
5 **repealed on July 1, 1999, relating to reporting of and access to financial or other**  
6 **information for child support purposes; making statutory changes that will be repealed**  
7 **on July 1, 1999, to laws relating to occupational licenses, crewmember fishing licenses,**  
8 **drivers' licenses, and other permits, certificates, or other authorizations issued by the**  
9 **state, other than recreational fishing and hunting licenses, to facilitate administration**  
10 **of child support laws; making statutory changes that will be repealed on July 1, 1999,**  
11 **relating to immunity from civil liability for good faith compliance with reporting or**  
12 **other requirements for child support purposes; making statutory changes that will be**  
13 **repealed on July 1, 1999, relating to voiding fraudulent transfers and to penalties for**  
14 **noncompliance with orders for child support purposes; making statutory changes that**  
15 **will be repealed on July 1, 1999, providing that an obligor will be considered to be in**  
16 **substantial compliance with a support order or payment schedule if a court determines**  
17 **that the obligor is making the best efforts possible to have no arrearages; making**  
18 **statutory changes that will be repealed on July 1, 1999, providing that the authority of**  
19 **a tribunal to order that service be given to a party by first class mail applies to**  
20 **subsequent child support enforcement efforts by the agency with respect to that party;**  
21 **making statutory changes that will be repealed on July 1, 1999, allowing a party**  
22 **aggrieved by an order of nondisclosure of information relating to a party or a child in**  
23 **a child support proceeding to contest that order in a hearing when the order was based**  
24 **on an ex parte finding of risk; retaining existing law relating to the duty of employers**  
25 **and labor unions to provide employment and compensation reports to the child support**

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1 enforcement agency; making statutory changes that will be repealed on July 1, 1999,  
2 requiring that administrative subpoenas of the child support enforcement agency be  
3 served in the manner provided for service of liens by the agency; making statutory  
4 changes that will be repealed on July 1, 1999, requiring that administrative orders to  
5 withhold and deliver be served by the child support enforcement agency electronically  
6 or in the manner provided for service of liens by the agency; retaining existing law with  
7 respect to whether a lien arising under the child support laws of another state shall be  
8 given full faith and credit in this state; making statutory changes that will be repealed  
9 on July 1, 1999, allowing the child support enforcement agency of this or another state,  
10 but not any other person, to serve a copy of certain liens relating to child support at any  
11 time after recording of the lien; making statutory changes that will be repealed on July  
12 1, 1999, allowing the periodic modification of child support orders without a showing  
13 of a material change in circumstances but only if the order was not modified in the  
14 three years preceding the periodic modification; making statutory changes that will be  
15 repealed on July 1, 1999, modifying the duties of the child support enforcement agency  
16 but not authorizing the agency to enter into contracts or agreements with contractors  
17 to perform some or all of the function of the agency's disbursement unit; reenacting and  
18 reinstating existing laws relating to child support and paternity determination upon the  
19 repeal of the changes made by this law on July 1, 1999; amending Rules 4, 5, 35,"

20 Page 17, line 21, following "circumstances":

21       Insert "if the child support order being modified on the periodic basis has not  
22 been modified or adjusted during the three years preceding the periodic modification"

23 Page 30, lines 25 - 28:

24       Delete all material.

25       Renumber the following bill sections accordingly.

26 Page 33, line 6, through page 34, line 29:

27       Delete all material.

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- 1 Renumber the following bill sections accordingly.
- 2 Page 35, lines 11 - 12:
- 3 Delete "delivered by first class mail"
- 4 Insert "served in the manner provided for service of liens under AS 25.27.240"
- 5 Page 42, lines 12 - 19:
- 6 Delete all material.
- 7 Renumber the following bill sections accordingly.
- 8 Page 42, lines 21 - 22:
- 9 Delete ", or a person seeking to enforce a child support obligation."
- 10 Page 43, lines 8 - 9:
- 11 Delete "recreational licenses or"
- 12 Page 43, line 17:
- 13 Delete "a recreational license, or"
- 14 Page 43, lines 24 - 25:
- 15 Delete "An applicant for a recreational license is not entitled to receive a
- 16 temporary license under this section."
- 17 Page 43, line 29:
- 18 Delete ", (s), and (t)"
- 19 Insert "and (s)"
- 20 Page 44, lines 2 - 3:
- 21 Delete "Except for notices issued under (s) and (t) of this section regarding
- 22 recreational licenses, the [THE]"
- 23 Insert "The"

0-LS0853VL17

- 1 Page 44, line 10:  
 2 Delete "(s), or (t)"  
 3 Insert "or (s)"

- 4 Page 44, line 14:  
 5 Delete "(s), or (t)"  
 6 Insert "or (s)"

- 7 Page 47, lines 7 - 8:  
 8 Delete "a recreational license, or"

- 9 Page 48, lines 21 - 26:  
 10 Delete all material and insert:  
 11 **\*\* Sec. 120. AS 25.27.244(q)(6) is amended to read:**  
 12 (6) "substantial compliance" regarding [WTT11] a support order or  
 13 payment schedule ]" means that, with respect to a support order or a negotiated  
 14 payment schedule under (g) of this section, whichever is applicable, the obligor  
 15 [EITHER] has  
 16 (A) no arrearage;  
 17 (B) [OR HAS] an arrearage in an amount that is not more than  
 18 four times the monthly obligation under the support order or payment  
 19 schedule; or  
 20 (C) been determined by a court to be making the best  
 21 efforts possible under the obligor's circumstances to have no arrearages  
 22 under any support order or negotiated payment schedule relating to child  
 23 support."

- 24 Page 48, line 27, through page 49, line 8:  
 25 Delete all material.

- 26 Renumber the following bill sections accordingly.

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- 1 Page 49, line 13:  
2 Delete "Notwithstanding any"
- 3 Page 49, lines 14 - 23:  
4 Delete all material.  
5 Insert "The licensing entity for commercial crewmember fishing licenses shall print  
6 a notice on commercial crewmember fishing license forms stating the provisions of this  
7 subsection."
- 8 Page 49, lines 25 - 26:  
9 Delete "or a recreational license, other than a big game hunt drawing permit."
- 10 Page 49, line 30.  
11 Delete "(1) for a"
- 12 Page 49, line 31, through page 50, line 2:  
13 Delete all material.
- 14 Page 50, line 3:  
15 Delete "license,"
- 16 Page 50, lines 8 - 15:  
17 Delete all material.
- 18 Page 54, lines 17 - 18:  
19 Delete "by first class mail [IN THE MANNER PROVIDED FOR SERVICE OF  
20 LIENS UNDER AS 25.27.240]"  
21 Insert "in the manner provided for service of liens under AS 25.27.240"
- 22 Page 55, line 18, following "service":  
23 Insert "in any subsequent child support enforcement effort by the agency"

0-1.50853\H.17

1 Page 56, line 2, following "chapter.":

2 Insert "A person aggrieved by an order of nondisclosure issued under this section that  
3 is based on an ex parte finding is entitled on request to a formal hearing, within 30 days of  
4 when the order was issued, at which the person may contest the order."

5 Page 60, following line 8:

6 Insert a new subsection to read:

7 "(c) The amendments made by other sections of this Act are repealed July 1, 1999.  
8 Each statute amended by this Act is repealed and reenacted on July 1, 1999, to read as it  
9 existed on the day before the amendment to the law under this Act took effect.  
10 Notwithstanding AS 01.10.100(c), a statute repealed under (a) of this section is revived and  
11 reenacted on July 1, 1999, to read as it existed on the day before the effective date of (a) of  
12 this section. A court rule that was amended by a statute repealed or reenacted by this Act  
13 is further amended on July 1, 1999, to delete the change that had been made by other sections  
14 of this Act."

15 Page 60, line 25:

16 Delete "as necessary to comply with federal law"

17 Page 61, line 19:

18 Delete "or (t)"

19 Page 60, line 9, through page 61, line 19:

20 Correct internal references to bill section numbers to correspond to renumbering of  
21 bill sections made necessary by this amendment.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

May 9, 1997

**SUBJECT:** Privacy Considerations involving Social Security Numbers (CSSB 154(FIN))

**TO:** Senator John Torgerson

**FROM:** Terri Lauterbach  
Legislative Counsel 

You have asked whether the provisions in CSSB 154(FIN) that require people to provide their social security numbers on a wide variety of public documents violate those people's right of privacy under our state constitution.

In my opinion, a court is unlikely to find that these provisions constitute a violation of the right of privacy afforded under our state constitution.

### DISCUSSION

The state constitution's right to privacy is contained in art. I, sec. 22, which reads as follows:

**Right of Privacy.** The right of the people to privacy is recognized and shall not be infringed. The legislature shall implement this section.

The first issue that a court would consider in a privacy challenge to the social security provisions in CSSB 154(FIN) would be the issue of whether a privacy right would be infringed. The test for what interests are protected by the privacy right are, first, a person has exhibited an actual (subjective) expectation of privacy and, second, that the expectation be one that society is prepared to recognize as "reasonable." Hilbers v. Municipality of Anchorage, 611 P.2d 31 (Alaska 1980).

I will assume, for purposes of this memo, that the first prong of the test is met - you have suggested that some people might have a subjective expectation of privacy in their social security numbers. The question is whether a court would find that expectation to be reasonable.

I think it is unlikely that a court would find that expectation to be reasonable. In State v. Chryst, 793 P.2d 538 (Alaska Ct. App. 1990), the court held that there is no reasonable

Senator John Torgerson

May 9, 1997

Page 2

expectation of privacy with respect to a person's name and address and the locations where he receives utility services. Furthermore, in AS 44.99.300 - 44.99.350, the legislature has indicated that "personal information" does not include a person's name, address, or telephone number, if the number is published in a directory. In my opinion, a court is likely to find that a person's social security number is a specific identifying number, like an address or telephone number, that has become so widespread in use that an expectation that one can keep it private is unreasonable. Social security numbers must be divulged for identification purposes in a wide variety of circumstances. For instance, social security numbers are on drivers' licenses, which must usually be shown to write or cash a check. While there may once have been a higher expectation of privacy for social security numbers, I believe that a court is likely to recognize that, in this day and age, the use of that number for identification purposes has made the expectation of keeping it private an unreasonable expectation.

The inquiry may not end there, however. Perhaps a court will decide that the expectation of privacy in one's social security number is a reasonable one. There would still remain the issue of whether the government could infringe on that right. Court cases construing this provision have uniformly held that the right of privacy that it protects is not absolute. Gray v. State, 525 P.2d (Alaska 1974); Ravin v. State, 537 P.2d 494 (Alaska 1975); State v. Erickson, 574 P.2d 1 (Alaska 1978). It is only unwarranted infringements on the privacy right that will be found to be unconstitutional. As the court in Falcon v. Alaska Pub. Offices Comm'n, 570 P.2d 469 (Alaska 1977) held, it is part of the judicial function to ensure that governmental infringements of this right are supported by sufficient justification.

In my opinion, the court is likely to find sufficient justification for the disclosure of people's social security numbers under CSSB 154(FIN). The court would consider the same information about child support enforcement efforts that was considered by the Congress when it enacted the requirements relating to social security numbers in the federal welfare reform act that is being implemented by CSSB 154(FIN). The Congress found that social security numbers would enhance efforts to locate child support obligors and collect child support payments. The Congress has tried other enforcement methods in the past and has found them insufficient. The Congress has determined that children's poverty, national and state expenditures on welfare programs, and other societal problems could be decreased by more effective methods of child support enforcement. I believe that a court, looking at this type of information, is likely to find that, even if there is some level of a right to privacy in one's social security number, that right is outweighed in this instance by the societal interests in more effective child support enforcement.

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If this memo does not fully answer your questions, or if I can be of other assistance on this matter, please let me know.

TML:jdr  
97-345.jdr

**CSSB154 (FIN)**  
**FEDERAL CHILD SUPPORT REQUIREMENTS**  
**Child Support Enforcement Bill**

Background

Congress and President Clinton have stressed the correlation between strong child support efforts and a successful welfare reform program. This bipartisan effort to strengthen child support laws recognizes the responsibility of ALL parents to support their children.

The new Federal Welfare Reform Law (PRWORA Act) makes substantial changes to child support mandates for all states and requires a major overhaul of Alaska child support operations. Many of these changes require only operational or regulatory changes. Listed below are the changes requiring statutory revisions.

Penalties

Without passage of the bill this year, Alaska can lose ALL federal funds for the child support program. The Public Assistance Division will lose \$8+ million in state reimbursements collected by CSED. Additionally, Alaska can lose a portion of their TANF block grant — possibly up to \$3.2 million.

Federal Mandates

- NO
- ~~All employers must report new hires or rehires within 20 days (presently employers with 20 or more employees must report within a month). CSED must send data to feds within 7 days of receiving information.~~
  - Employer must send withheld money to CSED in 7 days (presently 10 days)
  - No prior notice of withholding order to obligors (presently prior notice given)
  - Financial institutions and other entities must match data quarterly with CSED (reduces need for subpoenas to get financial information)
  - Existing licensing statutes amended to:
    - make revocable for noncompliance with subpoena or warrant
    - ~~add: hunting (for non-personal use), fishing (non-subsistence) and commercial fishing (crew members only - not limited entry) licenses~~
  - Payments disbursed according to federal law - past AFDC recipients must receive all child support payments before state can collect to reimburse itself
  - Social security numbers required on state licenses, permits and other documents, such as divorce decrees and death certificates. SSN must be shared with all state child support agencies.
  - Various state agencies must provide information to all child support agencies - for child support purposes only
  - Entities providing information or honoring CSED actions are immune from prosecution if acting in good faith
  - Expanded paternity establishment requirements
    - after a 60-day period, a signed acknowledgment of paternity can't be rescinded - except in a court and based on fraud, duress, or material mistake of fact

Federal Child Support Requirements  
Child Support Enforcement Bill  
Page 2

- parents must be informed of rights and consequences of signing an acknowledgment of paternity
- acceptance of paternity establishments from other states
- putative father can request blood tests and establishment of paternity
- DHSS to decide "good cause" exceptions to required genetic testing and CSED decides noncompliance
- parties to paternity establishment must provide employer information - so that the support order can be established and a withholding order can be sent quickly
- Location of custodial parent or children to be withheld if risk to health, safety or liberty (presently in interstate law, but not domestic law)
- Conformance with ALL provisions of Uniform Interstate Family Support Act
- ~~Authority to contract out child support disbursement functions~~
- State authority to require delinquent obligors to participate in appropriate work activities
- Fraudulent transfers voided when used to evade child support collections
- ~~Recognizing liens from other states~~
- ~~Legal service by first class mail if diligent efforts made for in-person delivery~~
- No "statute of limitations" on reporting arrears to credit bureaus



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for  
Children and Families

2201 Sixth Avenue, Suite 600  
Seattle, WA 98121-1827

07 MAR 20 AM 9:15

RECEIVED  
MAR 20 1997

MAR 12 1997

CSED-DIRECTOR

Glenda Straube  
Director  
Child Support Enforcement Division  
550 West 7th, 4th Floor  
Anchorage, Alaska 99501-3556

Dear Ms. Straube:

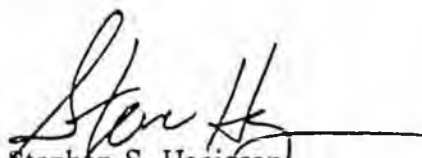
Thank you for your inquiry concerning the child support enforcement provisions of the recently enacted Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), often referred to as Federal welfare reform.

As you know, PL 104-193 introduced several new child support enforcement requirements which, pursuant to Sections 454 and 466 of the Social Security Act, must be reflected in State law in order for a State to maintain an approved Title IV-D State Plan. If a State fails to enact any of the required State laws or procedures under section 466, or otherwise fails to comply with any State plan requirement under section 454, they are at risk of having their State plan disapproved and of losing all Federal IV-D funding.

Alaska received approximately \$11.2 million in Title IV-D funding for the administration of its child support program in FY 1996, as well as nearly \$3 million in Title IV-D performance-related child support incentives. Furthermore, under section 409(a)(8) of the Social Security Act a State failing to comply with the requirements of title IV-D of the Act could also lose a portion of its Federal funding under the Title IV-A (Temporary Assistance to Needy Families) program. Alaska's Federal funding for IV-A for FY 1997 will be about \$63 million dollars.

As always, we in the Regional Office are available to review and discuss issues concerning the implementation of Federal welfare reform requirements with you or with any other representatives of the state. Please let me know if we can be of any assistance.

Sincerely,

  
Stephen S. Henigson  
Regional Administrator

State Plan Disapproval

PROGRAM INSTRUCTION

ACTION TRANSMITTAL

OCSE-AT-97-05

April 28, 1997

**TO:** STATE AGENCIES ADMINISTERING CHILD SUPPORT ENFORCEMENT PLANS APPROVED UNDER TITLE IV-D OF THE SOCIAL SECURITY ACT AND OTHER INTERESTED INDIVIDUALS

**SUBJECT:** Procedures for Determining That a State IV-D Plan is Disapproved

**BACKGROUND:** Title III of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), P.L. 104-193, made a number of amendments to sections 454 and 466 of the Social Security Act (the Act), requiring States to either establish new, or modify existing, procedures effective either October 1, 1996, March 1, 1997 or October 1, 1997. For States which require legislation in order to conform their State IV-D plans to the revised statute, section 395(b)(2) of PRWORA provides a grace period until not later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of PRWORA (August 22, 1996). In cases which require that the State constitution be amended, section 395(c) of PRWORA provides a grace period until one year after the effective date of the State constitutional amendment, but no later than five years after the date of enactment of PRWORA.

CSE is tracking the progress of each of the States in enacting the new State plan requirements and mandatory laws, and is noting the date when each State's 1997 legislative session ends in order to ascertain when these laws are required to be in effect and when the State must submit new or amended State plan material for approval by OCSE in order to operate a Child Support Enforcement program according to the requirements of title IV-D of the Act. If a State fails to submit the necessary State plan amendments, OCSE will have to determine that the State does not have an approvable State plan. A determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE.

STATUTORY

AUTHORITY: Section 455(a)(1)(A) of the Act specifies that funds appropriated under title IV-D shall be paid to States with approved State IV-D plans. There is no authority to expend Federal funds under title IV-D of the Act for the operation of a Child Support Enforcement program unless such State has an approved State IV-D plan.

Section 466 of the Act requires that all States, as a condition for approval of their State IV-D plan, must have in effect laws requiring the use of mandatory procedures to increase the effectiveness of their Child Support Enforcement programs. As a condition for State plan approval, section 454(20) of the Act provides that, to the extent required by section 466, States must have laws in effect and implement the procedures prescribed in or pursuant to such laws.

Section 454 of the Act sets the statutory requisites for the State IV-D plan. In addition, regulations at 45 CFR 301.10 define the State IV-D plan as a comprehensive statement submitted by the IV-D agency describing the nature and scope of its program. The State IV-D plan contains all the information necessary for the Office of Child Support Enforcement (OCSE) to determine whether the plan can be approved, as a basis for Federal financial participation in the State IV-D program.

Section 452(a)(3) of the Act requires that OCSE review and approve State plans for Child Support Enforcement programs under title IV-D of the Act. The authority to approve State plans is delegated to the Regional Office, but OCSE retains authority for determining that a State IV-D plan is not approvable.

As stated above, a determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE. If a State is dissatisfied with OCSE's decision, reconsideration may be requested pursuant to 45 CFR 301.14. Withholding of Federal payments cannot be stayed pending reconsideration.

Section 402(a)(2) of the Act (as amended by PRWORA) provides that the chief executive officer of a State must certify that it will operate a child support enforcement program under an approved IV-D plan as a condition of eligibility for a TANF block grant under title IV-A of the Act. Therefore, States should be aware that TANF funds may also be at risk.

Although it is not required under Title IV-D of the Act, OCSE will give States an advance notice of "Intent to Disapprove" a previously approved State IV-D plan. The State will then be permitted the opportunity to waive reconsideration of the OCSE's final decision and to exercise, prior to the State plan approval/disapproval decision, the right to a hearing under the procedures set forth a 45 CFR Part 213. If the State elects to pursue its hearing rights prior to issuance of OCSE's decision, no further administrative appeal will be allowed.

**ATTACHMENT:** Instructions for State Plan Disapproval  
Timetable of Effective Dates 1997 Legislative Calendar

**SUPERSEDED  
MATERIAL:** OCSE-AT-86-21

**INQUIRIES:** ACF Regional Administrators

/ S /

Anne F. Donovan  
Acting Deputy Director  
Office of Child Support

**Enforcement**

April 25, 1997

The Honorable Gary Wilken  
Alaska State Legislature  
State Capitol, Room 510

Dear Senator Wilken:

SB 154 brings Alaska statutes into compliance with the child support provisions of PL 104-193. Passage and implementation of this conforming legislation is needed to avoid fiscal penalties imposed against the state's TANF block grant. The following provides additional information on the penalties that will be imposed if the state is not in compliance with the federally mandated child support provisions of PL 104-193.

Under federal law, failure to comply with paternity establishment and child support enforcement requirements under part D of PL104-193 results in a penalty of up to 5% of the federal TANF block-grant. The block grant payable to the state would be reduced following this schedule:

- For the first quarter and each subsequent quarter that ends before the first quarter that the state is found to be in compliance, not less than 1% and not more than 2%.
- For the second consecutive finding that the state is out of compliance not less than 2% and no more than 3%;
- For the third and subsequent findings of non-compliance not less than 3% and not more than 5%.

Federal law also stipulates that in the fiscal year following a reduction in the TANF grant due to a penalty, states must increase their state spending by an amount equal to the penalty.

If this legislation is not enacted and implemented and the federal penalties are applied, the state would have to voluntarily replace lost federal funds in the first year of the penalty in order to maintain ATAP funding at adequate levels. Federal law, however, mandates that the state must replace these funds in subsequent years. Under a worse case scenario, the maximum penalty that could be levied for non-compliance would be approximately \$3.2 million and the state would be required to offset the loss dollar for dollar in the fiscal year following the year the penalty was imposed.

The net affect of not complying with child support provisions of P.L. 104-193 is a substantial increase in GF spending. However, passage and implementation of this legislation would likely increase child support collections for ATAP children and generate additional general fund program receipts for ATAP.

If you have any questions or need additional information, please contact me or my assistant, Ron Kreher, at 465-3340.

Sincerely,

Jim Nordlund  
Director of Public Assistance

Cc: Glenda Straube, Director  
Child Support Enforcement Division

**CSSB154 (FIN)**  
**Federal Welfare Reform - Child Support Provisions**  
**Sectional Analysis**

This bill was drafted to meet the child support requirements of P.L. 104-193, the federal welfare reform act. All of the bill's provisions are mandated by that act. Because many of the bill's sections are substantively similar, covering comparable requirements for various state agencies, this sectional analysis groups those sections together instead of having a separate paragraph, in numerical order, for each one.

Section 1 details the findings and intent of the bill.

Section 2 of the bill would require banks to provide financial records of child support obligors or obligees to the child support enforcement agency of this or another state, for child support purposes authorized under law.

Sections 3, 4, 6, 8, 9, 12, 14, 15, 17, 23, 24, 27, 29, 30, 31, 35, 43, 45, 46, and 106 would require that applicants for state licenses and permits provide their social security numbers, and that social security numbers be included in certain judgments, decisions, and other official documents. In related provisions, sections 3, 4, 13, 16, 18, 25, 25, 28, 30, 32, and 37 would require the licensing entities to provide the social security numbers to the child support enforcement agency of this or another state upon request, for child support purposes authorized under law.

Sections 7, 19, 26, and 144 through 149 of the bill would require various state agencies to provide copies of records concerning child support obligors and obligees to the child support enforcement agency of this or another state, or the federal government, for child support purposes authorized under law. These sections would also allow the information to be transmitted by electronic means as appropriate.

Under Sections 10 and 11, the Department of Revenue would be required to disclose otherwise non-public information about taxpayers to the child support enforcement agency of this or another state, for child support purposes authorized under law.

Section 15 would provide immunity for actions taken by a person in good faith compliance with a child support subpoena, lien, levy, or withholding order.

Sections 20 and 21 would mandate the form of affidavits of paternity, including a requirement that the form describe the consequences of acknowledging paternity, and the deadline for rescission of the acknowledgment.

Section 22 would clarify the effect of an acknowledgment of paternity executed prior to the effective date of the new requirements stated in Sec. 20 or an acknowledgment of paternity executed in another state, and would require the registrar to offer certain assistance regarding the forms.

Section 33 would require the Department of Labor to provide information not only under the currently specified provision of the United States Code, but also as otherwise required by federal law for child support purposes.

The Department of Labor would be required under Section 34 to provide specified information on applicants or recipients of benefits to the child support enforcement agency of this or another state, for child support purposes authorized under law.

Section 36 would amend existing law on legitimation of a child born out of wedlock to explain the effect of acknowledgments of paternity made on the new forms required by Section 21, and those made on earlier forms. Section 36 also would recognize legitimation through a determination of paternity made by any tribunal (including administrative), not just one made by a court.

Section 37 would clarify the type of genetic testing used to establish paternity. Section 38 would specify when a tribunal must order genetic testing in a paternity case. Section 39 would allow recovery of genetic testing costs from the putative father unless the tests show he is not the father. Section 40 would require any tribunal, not just a court, to give full faith and credit to the paternity determination of another state. Section 41 would provide various measures relating to paternity establishment, including evidence standards and issuance of temporary support orders. Section 42 would provide for regulations by the Department of Health and Social Services to allow hospitals a good-cause exception to the requirement of providing in-house paternity acknowledgment services.

Section 44 would require a court to modify an existing child support order without requiring a showing of material change of circumstance when necessary for the state to comply with a federal statute.

Section 47 could require courts to provide CSED with a copy of all child support orders.

Sections 48 through 73 would amend the provisions of AS 25.25, the Uniform Interstate Family Support Act, to conform to the amendments recently made by the Uniform Law Commissioners.

Section 74 would give CSED the authority to adopt regulations to enhance administrative enforcement of child support orders, and to contract with financial institutions to operate automatic data-match systems.

Section 76 would ensure that CSED has authority to exchange information as required by federal law.

Under Section 77, CSED could enter into agreements with third parties to perform certain of their functions.

Section 78 would allow CSED or the court to enter an order that an obligor with child support arrears must arrange a payment plan or participate in appropriate work activities. It also

would ensure that CSED, or the child support agency of another state, has access to information used by the Department of Public Safety or a successor agency to locate individuals for law enforcement or motor vehicle purposes.

Section 80 would correct the statutory references regarding payment of costs of genetic testing.

Section 81 would allow a custodial parent to request immediate income withholding without requesting other services of CSED. Section 82 would allow the income withholding order and related documents to be served electronically (in addition to regular means) and would require that amounts withheld under such an order be sent to the agency within seven business days, instead of 14 working days, after it would have been paid to the employee. This conforms with the amount of time the employer has to answer the inquiries that accompany the withholding order. Under Section 83, the employer could combine amounts withheld from various employees into one payment to the agency so long as they comply with the relevant time deadlines.

Section 84 would specify the requirements that all employers must meet when providing information on all employee hiring and rehiring.

The administrative subpoena statute would be rewritten under Section 85 and 86, to set forth the method of delivery, the procedure for objecting to the administrative subpoena, the penalty for noncompliance, and to discontinue the requirement that the commissioner must approve each subpoena. Section 87 would require compliance with a subpoena issued by the child support agency of another state and provide for enforcement of the subpoena by CSED.

Section 88 would permit CSED to impose fees for service provided without having to charge the custodian a fee or withholding a portion of child support payments from proceeds received by operation of an income withholding order.

Section 89 would require that child support payments be disbursed according to federal law.

Section 91 would require that, when CSED locates a child support obligor who is liable for public assistance reimbursement, its notice must include a statement that payments must be made through CSED.

Section 92 would allow income withholding to commence without prior notice to the obligor if an arrearage occurs. Under Section 93, the notice sent to the obligor regarding income withholding shall inform the obligor of the procedures for contesting the withholding. Section 94 would require the conference officer to inform the obligor of the informal conference decision at the hearing or within 15 days. Section 95 would allow a formal hearing if the conference officer determines that withholding will continue.

Section 96 would clarify that the amount of a child support obligation will be determined using the standards set out in Civil Rule 90.3.

Section 97 would allow a putative father to request administrative paternity establishment. Section 98 would allow a party to an administrative paternity proceeding to provide information showing good cause not to order genetic testing. Section 99 would allow a second genetic test if requested and paid by a party, and provide for a second hearing if the results contradict those of the first test. Section 100 would clarify that the genetic test costs may be recovered from the putative father unless he is excluded by the test results. Under Section 101, the agency could determine that good cause exists not to require genetic testing, after considering the child's best interests, and could then enter an order after hearing or conclude the proceedings without making a determination of paternity.

Section 102 would deny the agency authority to administratively disestablish paternity if there was an acknowledgment of paternity or an admission of paternity.

Sections 103 and 104 would clarify that CSED may initiate a modification of one of the agency's administrative child support orders.

Section 105 would allow CSED to conduct periodic reviews and adjustments of child support orders without having to show a material change of circumstances has occurred when such review and adjustments are required by federal law.

Section 106 would clarify the appropriate statutory section under which paternity is established administratively.

Section 107 would ensure that liens entered under the child support enforcement laws of another state are given full faith and credit in this state, and clarify that a lien entered under Alaska's law may be enforced by execution in the full amount of the obligor's liability at the time of execution.

Section 108 would allow the child support agency of another state, or a person enforcing a child support obligation, to serve the lien on someone who owes money to the obligor.

Section 109 through 122 would amend the statute dealing with suspension or revocation of licenses to include recreational hunting and fishing licenses, and to include among those whose licenses may be suspended, revoked or denied, not only child support obligors with an arrearage, but also those who have refused to comply with subpoenas or warrants relating to a child support enforcement matter. These new provisions would void recreational hunting or fishing licenses, including big game drawing hunt permits, issued to persons on the list maintained by CSED of child support obligors with an arrearage and persons who have failed to comply with a subpoena or warrant. Subsistence hunting, hunting for personal consumption, subsistence fishing and personal use fishing activities would be allowed under a license that is void for recreational purposes. Because of the brief duration of recreational hunting and fishing licenses, no provision is made for temporary licenses. The Department of Fish and Game would be required to print a statement on fishing and hunting license forms regarding these provisions. The section would also add commercial fishing crewmen's licenses to the list of occupational licenses subject to denial or suspension for non-payment of child support.

Similarly, sections 123 through 131 would add to the list of persons who may have a driver's license suspended or denied, a person who fails to comply with a subpoena or warrant relating to a child support enforcement matter.

Section 132 would allow issuance of an order to withhold and deliver property without prior notice to the child support obligor, and would specify the permissible timing of such an order. Section 133 would allow an income withholding order to be served electronically as well as by first class mail. Under Sec. 134, the property withheld under the order would have to be delivered to the agency within seven business days of when earnings would have been paid to the employee, or if it is property other than earnings, then within 14 business days after service of the order.

Section 135 would require parties to a paternity proceeding to provide the tribunal with certain information about themselves and their employers.

Section 136 would allow a tribunal to give notice by first class mail to a party's last known address instead of pursuant to Alaska Civil Rule 5, if diligent efforts to serve notice have been made.

Section 137 would delete the current requirement that CSED may report to a credit bureau or lending institution only information up to ten years old.

Section 138 would change the standard for CSED's reporting of the address of a party or child - under this amendment, a tribunal may order that such information not be provided upon a showing that such disclosure would unreasonably put at risk the health, safety, or liberty of a party or child.

Section 139 would void a transfer of personal or real property made to avoid child support.

Section 141 would amend the definition of "earnings" to clarify that it includes many types of income and benefits. Under Section 142, the definition of "support order" would be amended to clarify that it includes an order entered on behalf of a child who has reached the age of majority, and one that requires payment of various types of costs and fees, including health care costs, in addition to monetary support. Section 143 would add definitions for "business day" and "tribunal."

Section 144 would require CSED to determine, and to inform DHSS, whether a person receiving temporary assistance benefits is in compliance with the requirements to cooperate with the establishment of paternity or enforcement of a support order. DHSS would then determine if the person has good cause not to comply with the requirement.

Section 151 would repeal certain existing statutory provisions.

Sections 152 through 158 describe the sections that would have the effect of amending Alaska Court Rules.

Section 160 would offer transitional authority for CSED to proceed to adopt regulations to implement these provisions, to be effective no sooner than the effective date of the statutory amendments.

Sections 161 through 165 indicate the effective dates of the various sections of the bill.

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**National Conference  
of State Legislatures**

# Memo

**To:** Interested Parties  
**From:** Carl Tubbesing, Shari Staisel and Dana Reichert, NCSL  
**Date:** 8 May 1997  
**Re:** Child Support Developments in the 1997 Legislative Session

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As you requested, we have prepared a brief analysis of child support enforcement legislation under consideration in state legislatures during the current legislative session.

Although states expressed their general dislike of the new requirements, the adjourned legislatures were able to make most of the necessary changes, with some anticipated problems along the way. Many states are still in the midst of discussing the child support provisions. They will look towards the actions of the adjourned legislatures as a way to evaluate their options in dealing with the requirements. Legislatures have expressed concern over several of the federal requirements, including, the denial of a right to jury trial, revocation of hunting and fishing licenses, administrative rather than judicial adjudication of child support (including administrative bank liens), privacy concerns, employer mandates and the general feeling the federal legislation was imposing on the rights of states. Idaho stated its concerns within the legislation itself. Other states stated concerns that there was too much to do in one legislative session. Interest groups have expressed concerns about these provisions, including bankers, employers, privacy rights groups like the ACLU, and father's rights associations.

There has only been one official response from the U.S. Department of Health and Human Services to a state that was considering not passing the federal mandates. The attached letter from the HHS regional office in Dallas expresses the penalties that may be imposed on Oklahoma if they do not comply with federal law. In a close reading of the legislation, it appears that a state could face a range of fiscal sanctions from a child support audit penalty, to 5% penalty in the TANF block grant (that must be backfilled with state dollars), to potentially not being eligible for TANF for not running a child support program with an approved state plan.

States may apply for an exemption from implementing certain requirements of the child support law. On February 10, HHS issued a program instruction allowing states to apply for waivers of the required 21 different state laws and procedures specified in section 466 of the act. A state must demonstrate to the satisfaction of the Secretary of HHS that any one, or all, of the required laws and procedures will not increase the effectiveness and efficiency of the state's child support enforcement programs or that they have an effective similar program or procedure in place. The HHS program instruction is enclosed.

Please feel free to contact the NCSL staff who are working on child support for further information. Dana Reichert of the Denver office is tracking state legislation and can be reached at

303-830-2200. Sheri Staisel of the D.C. office is monitoring national trends and the federal activity and can be reached at 202/624-8593.

### Summary of Child Support Developments in the 1997 Legislative Session

Several legislatures have already ended their 1997 session. So far, no state has adjourned without passing most of the needed legislation to conform with the new requirements in federal law established by PL 104-193.

To date, Georgia, Idaho, Maryland, Montana, New Mexico, South Dakota, Utah, Virginia, and Wyoming have ended their sessions and passed needed reforms.

#### ENACTMENTS

The following is a brief summary of some major enactments:

**Idaho** It is not clear whether Idaho is totally in compliance with changes mandated by federal law. The bills passed and signed by the governor do not include provisions that expand administrative authority, deny a right to a jury trial, some provisions related to paternity establishment, and a work requirement for non-custodial parents. Idaho may be trying to get a waiver of these requirements from HHS as discussed in the HHS program instruction of February 10. Prior to the 1997 legislative session, Idaho had enacted license revocation and adopted UIFSA.

#### Highlights

- SB 1062

Expands UIFSA.

- SB 1062

Establishes a directory of new hires.

- SB 1224—This bill specifically states the legislature's stance that the federal requirements are unreasonable, and that statutory changes will do little to improve collections

Establishes a work group to collaborate with financial institutions to plan for and implement a data match system.

- SB 1064

Allows the department to order genetic testing

**New Mexico** Prior to the 1997 legislative session, New Mexico had adopted UIFSA and placed restrictions on licenses for non-payment of child support.

#### Highlights

- SB 1162

Establishes the Human Services Department as the IV-D Agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting.

Establishes a centralized case registry.

Requires the department to establish a directory of new hires

Collection of Social Security numbers.

All paternity related provisions including denial of a right to jury trial.

Work requirements for non-custodial parents.

Requires the department to collaborate with financial institution to develop and operate a data match system.

**South Dakota** Prior to the 1997 session, South Dakota had adopted UIFGA and placed restrictions on licenses for non payment of child support.

#### Highlights

- SB 268

Establishes the Department of Social Services as the IV-D Agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting. Names the department as the central case registry.

Requires the department to establish a directory of new hires.

License revocation to include occupational and recreational licenses.

Collection of Social Security numbers.

Requires the department to collaborate with financial institution to develop and operate a data match system.

All paternity related provisions including denial of a right to jury trial.

**Utah** passed the necessary provisions with minimal conflict. Prior to the 1997 legislative session, Utah had adopted UIFSA and placed restrictions on driver's license for non-payment of child support.

#### Highlights:

- SB 64

License revocation.

All paternity related provisions, including the repeal of the right to trial by jury.

Collection of Social Security numbers.

Requires the department to establish a centralized new hire registry .

Requires the department to collaborate with financial institution to develop and operate a data match system.

Establishes the Office of Recovery Services as the IV-D agency; Expands all necessary administrative authority provisions, including property and banking liens, and credit bureau reporting.

Strengthens UIFSA..

Work Requirements for non-custodial parents.

Wyoming legislators expressed their concern that the federal government was imposing on the rights of states. The main pieces of child support legislation passed without including any provisions for new-hire reporting. A concession was made by adding an amendment to the end of their welfare bill (Chapter 193) that gave the governor authority to establish rules and regulations allowing for information provided by any employer to the department to be used to track new hires for child support enforcement purposes, and to develop and implement minimum reporting requirements to be in compliance with the new hire reporting requirement. Prior to the 1997 legislative session, Wyoming had adopted UIFSA..

The legislature did not pass a provision denying the right to a trial by jury. The provision was included in an earlier version of the Senate bill, but was taken out before passage. The House did not consider putting the measure back in. There has not been discussion about the further actions, or how the states plans to address the fact this provision was not included.

Highlights:

- Chapter 128

License revocation provisions, including hunting and fishing.

- Chapter 193

Expands all necessary administrative authority provisions, including property and banking liens, and credit reporting.

All paternity related provisions except denial of a jury trial.

Work requirement for non-custodial parent.

Declares the Department of Family Services as the IV-D agency and requires the department to establish rules and regulations.

Requires the department collaborate with financial institutions to develop and operate an automated data matching system for the purpose of identifying and matching obligors who are in arrears.

Collection of Social Security numbers.



OFFICIAL BUSINESS

# Alaska State Legislature

## Senate

May 9, 1997

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-3701  
FAX: 385-2832

MESSAGE TO THE HOUSE

Engrossment has been waived  
in accordance with  
Uniform Rule 43(b).

MADAM SPEAKER:

Certified amendment(s) attached.

The Senate passed:

CS FOR SENATE BILL NO. 154(FIN) am

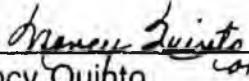
"An Act making statutory changes that will be repealed on July 1, 1999, relating to paternity determination and child support; making statutory changes that will be repealed on July 1, 1999, relating to reporting of and access to financial or other information for child support purposes; making statutory changes that will be repealed on July 1, 1999, to laws relating to occupational licenses, crewmember fishing licenses, drivers' licenses, and other permits, certificates, or other authorizations issued by the state, other than recreational fishing and hunting licenses, to facilitate administration of child support laws; making statutory changes that will be repealed on July 1, 1999, relating to immunity from civil liability for good faith compliance with reporting or other requirements for child support purposes; making statutory changes that will be repealed on July 1, 1999, relating to voiding fraudulent transfers and to penalties for noncompliance with orders for child support purposes; making statutory changes that will be repealed on July 1, 1999, providing that an obligor will be considered to be in substantial compliance with a support order or payment schedule if a court determines that the obligor is making the best efforts possible to have no arrearages; making statutory changes that will be repealed on July 1, 1999, providing that the authority of a tribunal to order that service be given to a party by first class mail applies to subsequent child support enforcement efforts by the agency with respect to that party; making statutory changes that will be repealed on July 1, 1999, allowing a party aggrieved by an order of nondisclosure of information relating to a party or a child in a child support proceeding to contest that order in a hearing when the order was based on an ex parte finding of risk; retaining existing law relating to the duty of employers and labor unions to provide employment and compensation reports to the child support enforcement agency; making statutory changes that will be repealed on July 1, 1999, requiring that administrative subpoenas of the child support enforcement agency be served in the manner provided for

Message to the House  
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May 9, 1997  
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service of liens by the agency; making statutory changes that will be repealed on July 1, 1999, requiring that administrative orders to withhold and deliver be served by the child support enforcement agency electronically or in the manner provided for service of liens by the agency; retaining existing law with respect to whether a lien arising under the child support laws of another state shall be given full faith and credit in this state; making statutory changes that will be repealed on July 1, 1999, allowing the child support enforcement agency of this or another state, but not any other person, to serve a copy of certain liens relating to child support at any time after recording of the lien; making statutory changes that will be repealed on July 1, 1999, allowing the periodic modification of child support orders without a showing of a material change in circumstances but only if the order was not modified in the three years preceding the periodic modification; making statutory changes that will be repealed on July 1, 1999, modifying the duties of the child support enforcement agency but not authorizing the agency to enter into contracts or agreements with contractors to perform some or all of the function of the agency's disbursement unit; reenacting and reinstating existing laws relating to child support and paternity determination upon the repeal of the changes made by this law on July 1, 1999; amending Rules 4, 5, 35, 52, 58, 78, 90.1, and 90.3, Alaska Rules of Civil Procedure; amending Rule 901, Alaska Rules of Evidence; amending Rules 3 and 5, Alaska Bar Association Rules; repealing the effective date of sec. 45, ch. 107, SLA 1996; and providing for an effective date."

and transmitted for consideration.

Under Rule 43(b) of the Uniform Rules engrossment of the above bill has been waived and certified amendments are attached.

  
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Nancy Quihto  
Secretary of the Senate