

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1754**

**Bill Subtitle: TO AMEND THE LAW CONCERNING CHILD SUPPORT.**

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### **Basic Change :**

**Sponsor: Rep. Cavanaugh**

HB1754 would amend various sections of Title 9 for consistency with acts passed during the 2019 session, for clarity, and to eliminate conflicts. Specifically, §§ 9-14-105, -210, and -213 would add reference to the child support cooperation requirements for recipients of Supplemental Nutrition Assistance Program (SNAP). §§ 9-14-106, -107, -201, -205, -208, -211, and -237 would be amended to reflect that both parents' income must be considered in the establishment or modification of support orders. § 9-14-107 would be further amended to remove a change in gross income of \$100 per month as a basis for modification of a child support obligation and to provide that modification of a support obligation be effective as of the date of service of a file marked notice of motion of modification. § 9-14-505 would be repealed. Additional changes are made for consistency, updating, and clarification of terminology.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

No significant taxpayer impact is anticipated.

### **Resources Required :**

None.

### **Time Required :**

None.

### **Procedural Changes :**

Minor Office of Child Support Enforcement (OCSE) procedural changes would be made to instruct staff and update training materials.

### **Other Comments :**

None.

### **Legal Analysis :**

Act 1043 of 2019 required recipients of SNAP benefits to cooperate with OCSE as a condition of receiving those benefits and as authorized by federal regulation. SB1754 would add language at §§ 9-14-105, -210, and -213 providing that OCSE is a proper party to pursue legal action for the establishment, modification, and enforcement of child support in cases referred to it by DHS based on

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an individual's receipt of SNAP benefits. Other changes are made throughout the noted Arkansas Code sections for consistency, clarity, and to define terms.

Act 907 of 2019 charged the Child Support Committee of the Supreme Court to recommend a revision of the family support chart to be based on payor and recipient income on or before March 1, 2020. On April 2, 2020 the Supreme Court issued Administrative Order No. 10, Revised Child Support Guidelines which substantially revised the prior Guidelines to adopt an "income shares model" for determining a child support obligation.

SB1754 would amend §§ 9-14-106, -107, -201, -205, -208, -211, and -237 to reflect that both parents' income should be considered in the establishment or modification of support orders, to define terms, and for language consistency.

§§ 9-14-107 would be further revised at paragraph (a)(1) to remove a change in gross income of \$100 per month as a basis for modification of a child support obligation. Such a change in income is *de minimis* and would not result in a meaningful modification of the underlying child support obligation. The current standard of a change of at least 20% of a parent's gross income would remain. Additional revision is made to § 9-14-107(d) to correct a conflict with § 9-14-234(b) regarding the effective date of a modification of support.

SB1754 would repeal § 9-14-505, which currently provides that the cost of health care coverage may not offset a child support award and may be considered in determining a noncustodial parent's net income for purposes of establishing a support obligation. Administrative Order No. 10, Revised Child Support Guidelines provides that the cost of health care coverage is apportioned between the parents and is offset against any support obligation of the parent providing the coverage. Further, the parents' gross income is used in determining a support obligation. § 9-14-505 would be repealed to eliminate this conflict.