

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2949-01
Bill No.: HB 1454
Subject: Children and Minors: Banks and Financial Institutions
Type: Original
Date: March 25, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$942)	(\$1,165)	(\$1,200)
Total Estimated Net Effect on <u>All</u> State Funds	(\$942)	(\$1,165)	(\$1,200)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal	(\$1,761)	(\$2,177)	(\$2,243)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$1,761)	(\$2,177)	(\$2,243)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Social Services - Division of Child Support Enforcement** (DOS - DCSE) stated that the proposal allows a non-custodial parent (NCP) to request an administrative hearing when DCSE files a lien against an NCP's account. DCSE officials estimate that they file 4,710 liens per year. Costs to inform NCPs of liens and their right to request an administrative hearing would be approximately \$1,600 annually. Costs to inform financial institutions would also be \$1,600 per year. DCSE officials estimate that 52 persons per year would avail themselves of their right to a hearing and would be mailed a hearing packet which typically comprises 15 to 20 sheets of paper. Postage costs for packets would be about \$125 per year. DCSE officials assume that production of the necessary liens and notices could be integrated into the existing Missouri Automated Child Support System with existing resources.

Officials of the **Division of Legal Services** stated that they would not require additional resources to hold an additional hearing per week.

Officials of the **Department of Economic Development** (Division of Credit Unions and Division of Financial Institutions) indicated that, although financial institutions would be affected by this proposal, their agencies would not be affected by this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Cost</u> - Division of Child Support Enforcement			
Expense - Postage	(\$942)	(\$1,165)	(\$1,200)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$942)</u>	<u>(\$1,165)</u>	<u>(\$1,200)</u>
FEDERAL FUNDS			
<u>Cost</u> - Division of Child Support Enforcement			
Expense - Postage	(\$1,761)	(\$2,177)	(\$2,243)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$1,761)</u>	<u>(\$2,177)</u>	<u>(\$2,243)</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses which are financial institutions could be affected by this proposal.

DESCRIPTION

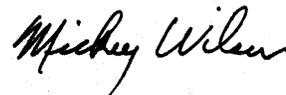
This proposal would require financial institutions to reply to the Division of Child Support Enforcement within five days of receiving from the division a notice of lien for the enforcement of a child support order.

Upon receiving the response from the bank, the division would mail a notice to the non-custodial parent, informing the parent of the reasons for the lien and the procedure for contesting the lien. Under current law, the bank notifies the non-custodial parent of the lien.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Social Services
Division of Child Support Enforcement
Division of Legal Services
Department of Economic Development
Division of Credit Unions
Division of Financial Institutions



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March 25, 2002