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TESTIMONY ON SENATE BILL 516 For the Senate Judiciary Committee February 22, 2017

Submitted by:

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This testimony is submitted in support of Senate Bill 516, with the -1 amendments.

How This Bill Changes Current Law

Senate Bill 516, with the -1 amendments, adds provisions to ORS Chapter 25 to require all orders for payment of child support and spousal support to have a monthly due date of the first day of month in which payment is due. The legislation requires that a court order must specify the first day of a calendar month and year upon which a support is due, with subsequent payments due on the first day of each following month, and that each month's current support is enforceable by income withholding as of the first of the month even if the order's due date has not been reached.

The legislation would reduce the potential for overpayment claims, audit requests, and staff time expended addressing complaints. This legislation will support automation in the new child support system in development for the Oregon Child Support Program.

Key Points of Legislation

- Requires that any order under ORS chapter 107, 108, 109, 110, 416, 419B or 419C that includes support must have a due date on the first of the month.
- Applies to orders issued or modified on or after the effective date of the Act.
- Allows any support order that accrues on other than a monthly basis to be converted to a monthly average, supporting automation in the Program's case management system.
- Allows payments from employers to apply to current support whether or not the due date in that month has been reached, when pay cycles differ from accrual dates and the

employer is paying an averaged amount.

- Prohibits these new provisions from applying to any action or proceeding affecting property rights under ORS Chapter 18.

Fiscal Impact

None.

Fiscal Benefits

Reduced potential for overpayment claims, audit requests, and staff time expended addressing complaints.

Recommended Action

The Oregon Department of Justice recommends adoption of the -1 amendments and committee approval of Senate Bill 516 as amended because it will significantly streamline financial case management by establishing a uniform billing accrual date for all support orders, thereby reducing overpayment claims, audit requests, and staff time.