

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 78 (Chairman, Finance Committee)
(Departmental - Labor, Licensing and Regulation)

Finance

**Unemployment Insurance - Information - Release to Child
Support Enforcement Units**

This amended departmental bill authorizes the Department of Labor, Licensing, and Regulation to provide access to unemployment insurance records to any agent of a child support enforcement unit if the agent is under contract with the unit to collect child support obligations. The agent is required to comply with federal and State safeguards. Any agent who misuses information is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or imprisonment not exceeding one year.

Fiscal Summary

State Effect: Child support collections would not increase since the bill codifies current practice. The criminal penalty provisions of this bill are not expected to significantly affect State finances.

Local Effect: The criminal penalty provisions of this bill are not expected to significantly affect local finances.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to this bill.)

Fiscal Analysis

Background: Child support enforcement activities are undertaken by local departments of social services and other local agencies with technical support and monitoring provided by Child Support Enforcement Administration (CSEA) staff located in the Department of Human Resources (DHR). DLLR's Office of Unemployment Insurance has an agreement with CSEA for the deduction of child support obligations from unemployment insurance claims.

Federal welfare reform (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) authorized states to provide unemployment insurance information to any agent of a child support agency under contract with a state agency to collect child support obligations. Child support enforcement activities were privatized in Baltimore City and Queen Anne's County in 1996. The contractor in both jurisdictions, Lockheed Martin, currently has access to unemployment insurance information as a result of a Memorandum of Advice issued by the Office of the Attorney General indicating that legislative intent is to provide access.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Human Resources; Department of Legislative Services

Fiscal Note History: First Reader - January 21, 1998
tlw Revised - Senate Third Reader - March 19, 1998

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