

Senate, March 30, 1998. The Committee on Human Services reported through SEN. HANDLEY, 4th DIST., Chairman of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE OBLIGATIONS OF LEGALLY LIABLE RELATIVES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4a-12 of the general
2 statutes is repealed and the following is
3 substituted in lieu thereof:

4 (a) The Commissioner of Administrative
5 Services shall be responsible for the following:
6 (1) Investigation, determination, billing and
7 collection of all charges for support of persons
8 aided, cared for or treated in a state humane
9 institution, as defined in section 17b-222, and
10 enforcement of support obligations of the liable
11 relatives of such persons; (2) billing and
12 collection of any money due to the state in public
13 assistance cases, and enforcement of support
14 obligations of liable relatives in such cases; (3)
15 collection of benefits and maintenance of trustee
16 accounts therefor; and (4) such collection
17 services for other state agencies and departments
18 as shall be agreed to between said commissioner
19 and the heads of such other agencies and
20 departments.

21 (b) Any debt referred to the Department of
22 Administrative Services by a state agency, which
23 the department is unable after due diligence to

24 collect within six months of such referral may be
25 referred by the commissioner to a consumer
26 collection agency, licensed under section 36a-801,
27 for collection, provided the debtor has been given
28 at least thirty days' notice that the debt will be
29 so referred.

30 (c) For purposes of this section, "liable
31 relative" means the husband or wife of any person
32 receiving public assistance or aided, cared for or
33 treated in a state humane institution, as defined
34 in said section 17b-222, and the father and mother
35 of any such person under the age of eighteen
36 years. The Commissioner of Administrative
37 Services, in consultation with the Secretary of
38 the Office of Policy and Management, shall adopt
39 regulations in accordance with the provisions of
40 chapter 54 establishing: (1) A uniform
41 contribution scale for liable relatives based upon
42 ability to pay and the administrative feasibility
43 of collecting such contributions, provided no such
44 liable relative shall contribute an amount in
45 excess of [twenty-five] TWELVE per cent of the
46 remainder, if any, after [two hundred per cent of
47 federal poverty income guidelines] THE STATE-WIDE
48 MEDIAN INCOME, AS FROM TIME TO TIME PROMULGATED BY
49 THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN
50 SERVICES, adjusted for family size, has been
51 deducted from such liable relative's taxable
52 income for federal income tax purposes, or if such
53 federal income tax information is unavailable,
54 from such relative's taxable income, as calculated
55 from other sources, including, but not limited to,
56 information pertaining to wages, salaries and
57 commissions as provided by such relative's
58 employer; (2) the manner in which the Department
59 of Administrative Services shall determine and
60 periodically reinvestigate the ability of such
61 liable relatives to pay; and (3) the manner in
62 which the department shall waive such
63 contributions upon determination that such
64 contribution would pose a significant financial
65 hardship upon such liable relatives.

66 (d) Notwithstanding the provisions of
67 subsection (c) of this section, no liability shall
68 be imposed upon a liable relative upon
69 determination by the Department of Mental
70 Retardation, Social Services, Children and
71 Families, Mental Health and Addiction Services or

72 Public Health that the benefit of the assistance
73 or service provided would be significantly
74 impaired by the imposition of such liability. EACH
75 SUCH DEPARTMENT MAY WAIVE ALL OR PART OF ANY
76 LIABILITY RESULTING FROM ITS DELAY IN ESTABLISHING
77 SUCH LIABILITY IF IT DETERMINES THAT IMPOSITION OF
78 SUCH LIABILITY WOULD POSE A SIGNIFICANT FINANCIAL
79 HARDSHIP UPON A LIABLE RELATIVE.
80 Sec. 2. This act shall take effect July 1,
81 1998.

82 HS COMMITTEE VOTE: YEA 16 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 397

STATE IMPACT	Revenue Loss, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Departments of Mental Retardation, Social Services, Children and Families, Mental Health and Addiction Services, Public Health, and Administrative Services (Bureau of Collection Services)

EXPLANATION OF ESTIMATES:

This bill lowers the liability limits for relatives of individuals receiving services from various state agencies. Currently, the Bureau of Collection Services (BCS) estimates that the state receives up to \$500,000 annually in collections from these families. Based on the minimal number of families that would be required to make contributions as a result of the change in the limit, the estimated revenue collections would correspondingly be reduced.

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OLR BILL ANALYSIS

SB 397

AN ACT CONCERNING THE OBLIGATIONS OF LEGALLY LIABLE RELATIVES

SUMMARY: This bill apparently lowers the maximum annual

amount that a relative must pay for costs the state incurs in providing state humane institutional care or public assistance to someone for whom the relative is legally liable. By law, a legally liable relative must repay the state up to 25% of any remaining income after 200% of the federal poverty level (FPL) is deducted from his federal taxable income. The bill apparently lowers the amount owed by setting the maximum at 12% of any remaining income after the statewide median income, as set by the U.S. Department of Health and Human Services (HHS) (see COMMENT), is deducted from the relative's federal taxable income.

The bill allows the departments of Mental Retardation, Social Services, Children and Families, Mental Health and Addiction Services, and Public Health to waive any or all of a relative's liability caused by the department's delay in establishing liability if they first determine it poses a significant financial hardship on the relative.

EFFECTIVE DATE: July 1, 1998

FURTHER EXPLANATION

Lowering the Annual Contribution

The effect of the proposed changes can be illustrated by the following example. If a family of four earns \$70,000 a year, current law requires it to contribute \$9,275 ($\$70,000 - \$32,900$ (200% of FPL for a family of four) = $\$37,100$ and 25% of this amount is $\$9,275$).

If a family of four earns \$70,000 under the bill, assuming \$67,380 is the state median income for a family of four, it must contribute \$314 a year ($\$70,000 - \$67,380 = \$2,620$ and 12% of this amount is $\$314$).

BACKGROUND

Legally Liable Relative

By law, husbands, wives, fathers, and mothers are the legally liable relatives responsible for repaying the state for state humane institution care and public assistance.

Federal Poverty Level

The federal government annually sets poverty levels for individuals and families. FPL depends on the number of people in a family. FPL is \$13,650 for a family of three (200% of FPL for a family of three is \$27,300).

COMMENT

Statewide Median Income

HHS does not set statewide median income. The U.S. Census Bureau annually sets the statewide median income for a family of four without a mechanism to adjust for family size. For 1998, the Connecticut statewide median income for a family of four is \$67,380. To implement an energy assistance program, HHS provides a mechanism for adjusting the Census Bureau figure for family size in its regulations.

The Census Bureau also sets a statewide median income based on a three-year average, which is \$41,394 for Connecticut based on a 1993 through 1995 average.

The U.S. Department of Housing and Urban Development sets family median income, which is \$60,400 for 1998. It also sets a median household income, which is \$41,721 for 1989, the latest year for which data is available.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report
Yea 16 Nay 0