

CHAPTER 5

AN ACT concerning the liability for maintenance costs of children in the care or custody of the Division of Child Protection and Permanency and amending and supplementing P.L.1962, c.142.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.30:4C-29a Short title.

1. This act shall be known and may be cited as the “Equitable Outcomes in Child Support Collection Act.”

C.30:4C-29b Findings, declarations.

2. The Legislature finds and declares that:

a. Current law requires the State to hold a person who is legally responsible for a child to be financially liable for the full cost of the maintenance of the child while the child is in the care and custody of the Division of Child Protection and Permanency in the Department of Children and Families.

b. Such liabilities, if encumbered, may result in liens against property, the imposition of court-ordered fines, fees, costs, or other monetary penalties.

c. As of December 2023, there were a total of 3,176 open Department of Children and Families resource family care child support cases, 2,464 of those were arrears-only cases where the case was closed, but the legally responsible person still owed child support.

d. The total amount of arrears owed to the Department of Children and Families has grown by over 50 percent between 2017 and 2022, due in part to the cost incurred by the State in pursuing such collections and the difficulties faced by families in satisfying judgments.

e. With approximately 90 percent of parents involved with the Division of Child Protection and Permanency considered indigent, it is well established that this policy of child support collection has negative impacts on families and possibly delays reunification of children in out-of-home placements.

f. In 2022, the Children’s Bureau, an office of the federal Administration for Children and Families, issued a revised policy allowing and encouraging State Title IV-E agencies, such as the State’s Department of Children and Families, to define more narrowly where it is appropriate to seek child support from legally responsible persons given the nationwide impacts to vulnerable families and low yields in collection.

g. Current law poses a barrier to the State’s efforts to advance the revised policy and reduce the negative impact the collection of child support and subsequent arrears has on legally responsible persons. Ending this policy and waiving arrears will support families under the care and custody of the Division of Child Protection and Permanency and help reduce racial inequity and wealth gaps within the State.

h. Data and research show that the resources states expend on efforts to collect child support from legally responsible persons, as reimbursement for their children’s maintenance costs, exceeds the amount of child support that states collect.

i. If the revised policy is implemented, the State is unlikely to incur negative financial impacts by stopping the collection of unpaid, outstanding child support arrearages because of the expense to the State in pursuing collection activities, the resulting low percentage of collections, and the ability to seek federal reimbursement for the cost of maintenance of children in resource family care.

j. By reducing the rates of family separation and increasing the number of kinship placements and family reunifications, the enactment of this legislation will allow the State and

DCPP to continue to support parents and remove barriers to reunifying families as quickly and safely as possible.

3. Section 1 of P.L.1962, c.142 (C.30:4C-29.1) is amended to read as follows:

C.30:4C-29.1 Liability for maintenance costs.

1. a. (Deleted by amendment, P.L.2025, c.5)

b. (Deleted by amendment, P.L.2025, c.5)

c. (Deleted by amendment, P.L.2025, c.5)

d. In any case in which the Department of Children and Families, through the Division of Child Protection and Permanency, has agreed to provide youth facilities aid to a public, private, or voluntary agency pursuant to P.L.1962, c.142 (C.30:4C-29.1 et seq.), the division shall have a lien against the property of any person, persons, or agency so contracting, in an amount equal to the amount or amounts so contracted to be paid, which lien shall have priority over all unrecorded encumbrances. The lien shall be reduced for each year of service provided by the agency at a rate to be negotiated by the division and the agency, but in no case more than 20 percent a year, provided, however, that annual reductions shall not exceed \$10,000.

e. Any current child support obligation or any unpaid outstanding arrears balance of a court-ordered child support obligation owed to the division, on or before the effective date of P.L.2025, c.5 (C.30:4C-29a et al.), as reimbursement for maintenance costs incurred while a child was in the care or custody of the division shall be unenforceable and uncollectable, and any portion of a judgment that imposes fees shall be vacated.

f. All unsatisfied civil judgments, on or before the effective date of P.L.2025, c.5 (C.30:4C-29a et al.), based on a court-ordered child support obligation to reimburse the division for maintenance costs incurred while a child was in the care or custody of the division are deemed to be null and void and shall be vacated and discharged.

g. All warrants issued, on or before the effective date of P.L.2025, c.5 (C.30:4C-29a et al.), solely based on the alleged failure to pay or to appear on a court date set for the sole purpose of enforcing the obligation owed to the division, including the payment of statutory or court-ordered fines, fees, costs, or other monetary penalties previously assessed or imposed for failure to reimburse the division for the costs of maintenance of the child incurred by the division while a child was in the care or custody of the division shall be reviewed and vacated consistent with the provisions of P.L.2025, c.5 (C.30:4C-29a et al.).

h. Any outstanding liens entered on any and all property to which the defendant shall have or acquire an interest, in accordance with the provisions of subsection e. of section 1 of P.L.1962, c.142, (30:4C-29.1) and in effect immediately prior to the effective date of P.L.2025, c.5 (C.30:4C-29a et al.), are deemed to be null and void and shall be vacated and discharged.

4. This act shall take effect immediately.

Approved January 30, 2025.