

ASSEMBLY BILL

No. 2440

Introduced by Assembly Member Klehs

February 23, 2006

An act to add Section 1714.4 to the Civil Code, relating to child support.

LEGISLATIVE COUNSEL'S DIGEST

AB 2440, as introduced, Klehs. Child support obligations: liability.

Existing law imposes joint and several liability upon a parent or guardian for the injury done to another person by the child of that parent or guardian under certain circumstances.

This bill would impose joint and several liability upon any person who knowingly assists a noncustodial child support obligor who has an unpaid child support obligation to escape, evade, or avoid current payment of those unpaid child support obligations. The bill would also include a related statement of legislative findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares the
- 2 following:
- 3 (a) In California, there were an estimated \$19 billion in unpaid
- 4 child support obligations as of January 2006.
- 5 (b) The failure of a noncustodial parent to pay child support
- 6 obligations often subjects the child and the custodial parent to a
- 7 life of poverty or substandard living conditions, reduced access
- 8 to medical care, and diminished educational opportunities.

1 (c) The failure of a noncustodial parent to satisfy
2 court-ordered or court-approved child support obligations
3 depletes the State of California of one of its most valued
4 resources: the next generation of healthy and well-educated
5 Californians.

6 SEC. 2. Section 1714.4 is added to the Civil Code, to read:

7 1714.4. (a) Any person who knowingly assists a noncustodial
8 child support obligor who has an unpaid child support obligation
9 to escape, evade, or avoid paying court-ordered or
10 court-approved child support shall be jointly and severally liable
11 for the amount of the unpaid child support at the time the
12 assistance was provided to the child support obligee. The
13 maximum liability imposed by this section shall not exceed the
14 value of the assistance provided, such as the fair market value of
15 the assets transferred or hidden, or the amount of the wages or
16 other compensation paid to the child support obligor but not
17 reported. Upon the satisfaction of the unpaid child support
18 obligation, this section shall not apply.

19 (b) For purposes of this section, actions taken to knowingly
20 assist a child support obligor to escape, evade, or avoid paying
21 court-ordered or court-approved child support include, but are
22 not limited to, any of the following actions:

23 (1) Helping to hide or transfer assets of the child support
24 obligor.

25 (2) Hiring or employing the child support obligor as an
26 employee in a trade or business and failing to timely file a report
27 of new employees with the California New Employee Registry
28 maintained by the Employment Development Department.

29 (3) Paying wages or other forms of compensation for services
30 rendered to a child support obligor in cash, via barter or trade, or
31 in any other form that is not reported to the Employment
32 Development Department.

33 (4) Other actions that the Department of Child Support
34 Services determines to assist evasion of an outstanding unpaid
35 child support obligation.