

I Mina'trentai Sietta Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
240-37 (COR) As amended by the Committee on Health, Land, Justice, and Culture	Therese M. Terlaje	AN ACT TO <i>AMEND</i> § 34111(b) AND <i>ADD</i> NEW §§ 34401, 34402, AND 34403 OF ARTICLE 1, CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO EFFECTIVELY DISTRIBUTING AND DISPOSING OF UNDISTRIBUTED CHILD SUPPORT FUNDS AT THE OFFICE OF THE ATTORNEY GENERAL OF GUAM.	2/6/24 1:16 p.m.	2/9/24	Committee on Health, Land, Justice, and Culture	Request: 2/9/24 2/22/24	2/27/24 8:30 a.m.	5/16/24 11:28 a.m. As amended by the Committee on Health, Land, Justice, and Culture	
	SESSION DATE	TITLE	DATE PASSED	TRANSMITTED	DUE DATE	PUBLIC LAW NO.	DATE SIGNED	NOTES	
	5/28/24	AN ACT TO <i>AMEND</i> § 34111(b) AND <i>ADD</i> NEW §§ 34156, 34157, AND 34158 OF ARTICLE 1, CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO EFFECTIVELY DISTRIBUTING AND DISPOSING OF UNDISTRIBUTED CHILD SUPPORT FUNDS AT THE OFFICE OF THE ATTORNEY GENERAL OF GUAM.	5/31/24	5/31/24	6/12/24	37-100	6/5/24	Received: 6/5/24 Messages and Communications Doc. No. 37GL-24-2172	

LOURDES A. LEON GUERRERO
GOVERNOR



JOSHUA F. TENORIO
LT. GOVERNOR

UFISINAN I MAGA'HÅGAN GUÅHAN
OFFICE OF THE GOVERNOR OF GUAM

Transmitted via Email to: officeofsenatorshelton@guamlegislature.org

June 5, 2024

THE HON. AMANDA SHELTON, *Acting Speaker*
I Mina'trentai Siette Na Liheslaturan Guåhan
37th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

Doc Type: 37GL-24-2172
OFFICE OF THE SPEAKER
THERESE M. TERLAJE

JUN 06 2024

Time: 8:30am
Received: [Signature]

Re: Bill No. 240-37 (COR) – AN ACT TO AMEND § 34111(b) AND ADD NEW §§ 34156, 34157, AND 34158 OF ARTICLE 1, CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO EFFECTIVELY DISTRIBUTING AND DISPOSING OF UNDISTRIBUTED CHILD SUPPORT FUNDS AT THE OFFICE OF THE ATTORNEY GENERAL OF GUAM.

Håfa Adai Acting Speaker,

The Office of the Attorney General's Child Support Enforcement Division ("CSED") is responsible for collecting child support funds from non-custodial parents and distributing the funds to the custodial parent to support minor children. In the decades since its inception, CSED has accumulated funds it has not been able to distribute to custodial parents for various reasons. The most common reason is the custodial parent changes residences and does not provide CSED with new contact and banking information. While our community might expect such funds to simply be returned to the non-custodial parent, or to the Government if CSED is unable to locate the non-custodial parent current Guam law does not establish procedures for the ultimate disposition of such funds. This has resulted in millions of dollars of undeliverable funds accumulating in accounts that benefit no one.

While the current law does allow the CSED to petition the court for an order transferring the money to the general fund, this option would impact funding CSED receives from the federal government, which treats such funds as income. For every dollar added to the general fund through this process, CSED loses sixty-six cents of federal funding. To protect its federal funding, CSED has therefore not requested a court order transferring these funds for a number of years.

Bill No. 240-37 (COR) alleviates these concerns. Section 2 of the bill establishes a hierarchy of recipients for child support payments that have remained unclaimed for five (5) years. Before funds



RICARDO J. BORDALLO GOVERNOR'S COMPLEX
513 W. Marine Corps Drive Hagåtña, Guam 96910
governor.guam.gov | (671) 472-8931

received
6/5/24 6:25pm
Legislative Secretary
Jason T. [Signature]

To: The Hon. Amanda Shelton, Acting Speaker
Fr: The Hon. Lourdes A. Leon Guerrero, Governor of Guam
Date: June 5, 2024
Re: Bill No. 240-37 (COR)

Page 2 of 2

can be distributed to anyone other than the custodial parent, the CSED must diligently attempt to locate the custodial parent. If CSED is unsuccessful in locating the custodial parent, the money may be returned to the non-custodial parent. If the non-custodial parent cannot be located, the children of the custodial parent can file a claim in the Superior Court of Guam to access the funds. The last resort is for the funds to revert to the Government of Guam.

Bill 240-37 also allocates the reverted funds directly to the CSED to offset federal funds the CSED may lose as a result of the reverted funds.

For this reason, I am signing Bill No. 240-37 (COR) into law as ***Public Law No. 37-100***.

Senseramente,



LOURDES A. LEON GUERRERO

I Maga'hågan Guåhan

Governor of Guam

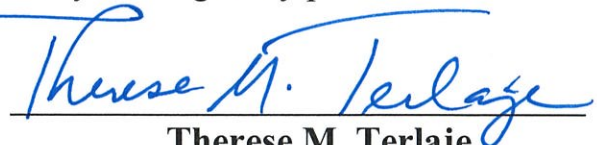
Enclosure(s): Bill No. 240-37 (COR) nka P.L. 37-100

cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam
Compiler of Laws

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'HÅGAN GUÅHAN


This is to certify that **Bill No. 240-37 (COR)**, “AN ACT TO *AMEND* § 34111(b) AND *ADD NEW* §§ 34156, 34157, AND 34158 OF ARTICLE 1, CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO EFFECTIVELY DISTRIBUTING AND DISPOSING OF UNDISTRIBUTED CHILD SUPPORT FUNDS AT THE OFFICE OF THE ATTORNEY GENERAL OF GUAM,” was on the 31st day of May 2024, duly and regularly passed.


Therese M. Terlaje
Speaker


Attested:


Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 31ST day of MAY,
2024, at 5:22 o'clock P.M.


Assistant Staff Officer
Maga'håga's Office

APPROVED:


Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 6/5/2024

Public Law No. 37-100

2024-21730
OFFICE OF THE GOVERNOR
CENTRAL FILES OFFICE
Rec'd By: Jomichael C. Quinata
Date: 6-3-24 Time: 8:12 AM

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2024 (SECOND) Regular Session

Bill No. 240-37 (COR)

As amended by the Committee on
Health, Land, Justice, and Culture.

Introduced by:

Therese M. Terlaje
Chris Barnett
Frank Blas, Jr.
Joanne M. Brown
Christopher M. Dueñas
Thomas J. Fisher
Jesse A. Lujan
Tina Rose Muña Barnes
William A. Parkinson
Sabina Flores Perez
Roy A. B. Quinata
Joe S. San Agustin
Dwayne T.D. San Nicolas
Amanda L. Shelton
Telo T. Taitague

AN ACT TO *AMEND* § 34111(b) AND *ADD NEW* §§ 34156, 34157, AND 34158 OF ARTICLE 1, CHAPTER 34, TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO EFFECTIVELY DISTRIBUTING AND DISPOSING OF UNDISTRIBUTED CHILD SUPPORT FUNDS AT THE OFFICE OF THE ATTORNEY GENERAL OF GUAM.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that this legislation was introduced at the request of the Office of the Attorney
4 General of Guam (OAG). *I Liheslaturan Guåhan* further finds and declares that the
5 Office of the Attorney General’s Child Support Enforcement Division (CSED) was

1 created because public policy is in favor of establishing paternity, of having parents
2 support their children, and in having fair and equitable support orders. Once child
3 support orders are established, the OAG's CSED collects funds from the non-
4 custodial parent, and is required by local and federal regulations to distribute said
5 funds to the custodial parent for the support of the minor children, or back to the
6 government of Guam for reimbursement in cases where the custodial parent received
7 government assistance under the Aid to Families with Dependent Children (AFDC),
8 now known as the Temporary Assistance for Needy Families (TANF).

9 However, with the passage of time, some parents changed their residences but
10 failed to update the CSED with their new contact information, failed to maintain
11 their bank account for direct deposits, or have since passed away. There are also
12 funds held for a long time wherein the bank holding the funds has been unable to
13 provide a proper accounting to identify who is entitled to the funds. As a result, the
14 OAG's CSED has accumulated a significant amount of undistributed funds. That
15 amount is currently estimated at approximately Six Million Three Thousand Seven
16 Hundred Thirty-five Dollars (\$6,003,735) as of December 31, 2023. In addition,
17 undistributed funds include cancelled, returned and stale dated checks prior to
18 August 30, 1996, which cannot be reconciled, totaling Eight Hundred Twenty-three
19 Thousand One Hundred Nineteen Dollars and Eighty-four Cents (\$823,119.84).

20 The problem of not being able to distribute these funds to the custodial or non-
21 custodial parents, and ultimately for their children's benefit, has persisted and
22 increased for decades now, and grown to the extent that large sums of money now
23 simply remain in government accounts without any distribution to no one's benefit.

24 It is the intent of this legislation, to create a process where undistributed funds
25 can be more effectively distributed, or otherwise escheat to the government of Guam
26 in cases where after diligent efforts have been made to try and locate the custodial
27 parent, the non-custodial parent, or their heirs have been unsuccessful. Federal grant

1 requirements require that these funds must be attributed to the OAG CSED’s child
2 support operations and cannot be used for any other purpose. *I Liheslaturan Guåhan*
3 incorporates the federal requirement and will escheat these funds and deemed it as
4 “income” to the government of Guam. As such, these federal funding amounts in the
5 undistributed accounts will be applied to offset the federal government’s
6 contribution to operating the CSED. It is the intent of this legislation to reprogram
7 escheated funds back to the OAG’s Child Support Division to cover the reduction of
8 federal funding.

9 For the Fiscal Year 2023, findings are as follows:

10 (1) The OAG’s CSED has undistributed funds totaling Eight Hundred
11 Twenty-three Thousand One Hundred Nineteen Dollars and Eighty-four Cents
12 (\$823,119.84) as of August 30, 1996, where it has already been established that this
13 amount cannot be reconciled.

14 (2) The OAG’s CSED has undistributed funds totaling Four Million Two
15 Hundred Sixty-Nine Thousand Seven Hundred Forty Two Dollars (\$4,269,742) as
16 of December 31, 2023, where current efforts are being made to locate the custodial
17 parent or non-custodial parent.

18 (3) The OAG’s CSED may have future undistributed funds that may need
19 to be escheated because the OAG’s CSED has lost contact with the custodial parent
20 and the non-custodial parent, and their cases have been closed for a period of no less
21 than two (2) years.

22 **Section 2.** § 34111(b) of Article 1, Chapter 34, Title 5, Guam Code
23 Annotated, is hereby *amended* to read:

24 “(b) With respect to any funds paid to the Department of Public
25 Health and Social Services, pursuant to any order of support, which have
26 remained unclaimed for more than five (5) years, and after the OAG’s CSED

1 pursued diligent effort to locate the person entitled to such funds, the funds
2 shall be distributed as follows:

3 (1) If the custodial parent is located and the funds are owed to
4 the custodial parent, OAG CSED shall distribute such funds to the
5 custodial parent.

6 (2) If the custodial parent cannot be located or is deceased and
7 the funds are owed to the custodial parents, OAG CSED shall first
8 refund such funds to the non-custodial parent.

9 (3) If such funds are overpayments, such funds shall not be
10 paid to the custodial parent but shall be refunded to the non-custodial
11 parent.

12 (4) If the non-custodial parent cannot be located or is also
13 deceased, the minor child or children or any surviving heir of the
14 custodial parent can make a claim for such funds, however, OAG CSED
15 shall not distribute such funds to the minor child or children or any
16 surviving heir unless pursuant to an order of court.

17 (5) If, after diligent efforts by OAG CSED, it has been
18 determined that the custodial parent and non-custodial parent cannot be
19 located or are both deceased, and the minor child or children or any
20 surviving heir have not made a claim for such funds, OAG CSED shall
21 escheat such funds to the government of Guam pursuant to § 34156.”

22 **Section 3.** A new § 34156 is hereby *added* to Article 1, Chapter 34, Title 5,
23 Guam Code Annotated, to read as follows:

24 **“§ 34156. Escheatment of Undistributed Funds if Custodial Parents or**
25 **Non-Custodial Parents Cannot be Located.**

26 (a) The Attorney General shall commence an escheatment
27 proceeding on behalf of the government of Guam in a court having jurisdiction

1 to have it adjudged that the government of Guam is so entitled to the
2 escheatment of undistributed funds. Such action shall be commenced by filing
3 a petition with a description and the facts and circumstances by virtue of
4 which it is claimed the property should be escheated.

5 (b) Upon the filing of such petition, the court must make an order
6 requiring the custodial and non-custodial parent associated with said funds
7 and all persons interested in the undistributed funds to appear and show cause,
8 if any, within sixty (60) days from the date of this order, why such
9 undistributed funds shall not vest in the government of Guam. Such order shall
10 be published in a daily newspaper of wide circulation once each week and on
11 the AG's website and the government of Guam Central Website for three (3)
12 consecutive weeks during this sixty (60)-day period. In addition, such order
13 must be posted for four (4) consecutive weeks on the public bulletin boards in
14 *Hagåtña*. Upon the completion of the publication of such order, the court shall
15 have full and complete jurisdiction over the undistributed funds and any
16 persons claiming an interest in said undistributed funds, and shall have full
17 and complete jurisdiction to hear and determine the issues therein and render
18 the appropriate judgment thereon.

19 (c) If proceedings for the administration of the estate of a deceased
20 custodial parent or non-custodial parent have been filed in the Superior Court
21 of Guam or other court of competent jurisdiction, a copy of the order to show
22 cause must be filed with the papers to such estate. If proceedings for the
23 administration of a deceased custodial parent or non-custodial parent have
24 been filed in the Superior Court of Guam or other court of competent
25 jurisdiction and the administrator or personal representative fails to appear or
26 otherwise make a claim to such undistributed funds, or any portion thereof, or
27 if the court shall find that the estate is not entitled to the undistributed funds,

1 the court in the escheat proceeding shall distribute all moneys remaining to
2 the government of Guam. Any person who does not appear and make a claim
3 as herein required shall be forever barred.”

4 **Section 4.** A new § 34157 is hereby *added* to Article 1, Chapter 34, Title 5,
5 Guam Code Annotated, to read as follows:

6 **“§ 34157. Case Closure and Escheatment of Undistributed Funds:
7 Notice of Custodial Parents and Non-Custodial Parents with Active Cases.**
8 When the Attorney General’s Child Support Enforcement Division (CSED) has
9 undistributed funds that may need to be escheated and has lost contact with the
10 custodial parent and the non-custodial parent:

11 (a) The Attorney General shall continue, for at least six (6) months,
12 to locate the custodial parent or payee whenever money is collected pursuant
13 to an order of support and has yet to be distributed. Such efforts to locate shall
14 be documented by the Attorney General.

15 (b) Whenever such funds have remained unclaimed for at least five
16 (5) years, the Attorney General shall begin the process of closing the child
17 support case by sending a closure letter via certified mail to the custodial
18 parent or payee at his or her last known address. The closure letter shall advise
19 the custodial parent that if he or she does not contact the Attorney General
20 within sixty (60) days, his or her case will be closed and the funds collected
21 under an order for support shall be refunded to the non-custodial parent. If the
22 non-custodial parent cannot be located or no claims have been made by a child
23 or children or surviving heir, the Attorney General shall commence an action
24 for escheatment pursuant to § 34156 of this Article.”

25 **Section 5.** A new § 34158 is hereby *added* to Article 1, Chapter 34, Title 5,
26 Guam Code Annotated, to read as follows:

27 **“§ 34158. Allocation of Escheated Funds.**

1 Funds escheated pursuant to this Chapter are hereby appropriated to the
2 OAG's Child Support Enforcement Division to cover the reduction of federal
3 funding."

4 **Section 6. Effective Date.** This Act shall be effective upon enactment.

5 **Section 7. Severability.** If any provision of this Act or its application to any
6 person or circumstance is found to be invalid or inorganic, such invalidity shall not
7 affect other provisions or applications of this Act that can be given effect without
8 the invalid provision or application, and to this end the provisions of this Act are
9 severable.