

BILL ANALYSIS

C.S.H.B. 2588

By: Goodman

Juvenile Justice & Family Issues
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Child Support Enforcement (“CSD”) of the Office of the Attorney General provides child support enforcement services under the provisions of Title IV-D of the federal Social Security Act (42 U.S.C. 652 et seq.), as amended. As the “Title IV-D” agency, the CSD must meet a number of federal requirements, including providing enforcement services to families who receive public assistance or who apply for services; providing access to the federal parent locator service on request; and establishing and operating a “State Disbursement Unit” (Chapter 234, Family Code) for the processing of child support payments in all Title IV-D cases and in all other cases in which a support order was initially rendered on or after January 1, 1994, and in which the support obligor is subject to income withholding for child support.

Federal and state law authorize the CSD as the Title IV-D agency to charge certain fees for its services and to recover the costs of providing services. (42 U.S.C. 654; 45 CFR 302.33(d); Section 231.103, Texas Family Code). Thus far, the CSD has not charged fees for its services or recovered its costs. Current state fiscal exigencies, however, and the consequent need to identify revenue sources to help restore full funding for the operation of the Texas Title IV-D program necessitate the imposition of some reasonable fees. Any Title IV-D program income realized through fees and recovered costs that is reinvested in the program yields federal matching funds at a normal rate of 66 percent. In effect, this means that, roughly, every dollar in program income combined with federal matching funds provides three dollars in financial support for the program’s operation.

The purpose of C.S.H.B 2588 is to authorize the Title IV-D agency to assess and collect specific dollar amounts as fees for certain services.

RULEMAKING AUTHORITY

It is the committee’s opinion that rulemaking authority is expressly granted to the Title IV-D agency in SECTION 2 (Section 231.103, Family Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Section 231.103, Family Code, to read APPLICATION AND SERVICE FEES.

SECTION 2. Amends Section 231.103, Family Code, to authorize the Title IV-D agency to impose and collect the following fees for services: (1) an annual \$25 service fee in cases in which the recipient of Title IV-D services has never received public assistance under Part A of Title IV of the federal Social Security Act and the recipient receives more than \$500 in support payments in a year, with the fee being taken from collections exceeding the first \$500 in support payments; (2) a fee authorized by federal law for each request for parent locator services under Section 231.101(a), Family Code; and (3) a \$3.00 fee for processing support payments through the state disbursement unit in cases receiving only payment processing services. Requires the Title IV-D agency by rule to establish procedures for imposing fees and recovering administrative costs for services. Provides that the application and service fee account is an account in the general revenue fund; the account

consists of all fees and costs collected under this section; and, that the Title IV-D agency may only use the money in the account for agency program expenditures.

SECTION 3. Amends Section 234.008, Family Code, by adding Subsection (c), which provides that the state disbursement unit shall deduct the amount of the fee authorized under Section 231.103(d) from the support payment before the payment is disbursed to the obligee.

SECTION 4. (a) This Act takes effect September 1, 2003. (b) The Title IV-D agency may not collect the \$25 annual service fee authorized by Section 231.103, Family Code, as amended by this Act, before January 1, 2004. (c) The change in law made by this Act does not by itself constitute a material and substantial change of circumstances under Section 156.401, Family Code, sufficient to warrant modification of a court order or a portion of a decree that provides for the support of a child rendered before the effective date of this Act.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B.2588 differs from the original H.B.2588 by providing that the application and service fee account is an account in the general revenue fund; the account consists of all fees and costs collected under this section; and, that the Title IV-D agency may only use the money in the account for agency program expenditures. C.S.H.B.2588 further modifies the original H.B.2588 by amending Section 234.008, Family Code, by adding Subsection (c).