

BILL ANALYSIS

Senate Research Center

H.B. 2588
By: Goodman (Harris)
Jurisprudence
5/21/2003
Committee Report (Amended)

DIGEST AND PURPOSE

The Child Support Enforcement section of the attorney general's office, as a Title IV-D agency, is authorized by state and federal law to charge certain fees for its services and to recover the costs of providing services, but it has not been doing so. Revenue from the fees that is reinvested in the program yields federal matching funds at a normal rate of 66 percent. H.B. 2588 authorizes the Title IV-D agency to charge a reasonable application fee, charge a \$25 annual service fee, and, to the extent permitted by federal law, recover costs for the services provided in a Title IV-D case. This establishes the criteria and structure of charging fees. H.B. 2588 also prohibits a court, if it finds that the respondent is in contempt of court for failure or refusal to pay child support and that the respondent owes \$20,000 or more in child support arrearages, from waiving the requirement that the respondent pay attorney's fees and costs, unless the court also finds that the respondent is involuntarily unemployed or disabled and lacks the financial resources to pay the attorney's fees and costs. This bill also provides that this change in law does not by itself constitute a material and substantial change of circumstances sufficient to warrant modification of required child support.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Title IV-D agency, the office of the attorney general, in SECTION 3 (Section 231.103, Family Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 157.167, Family Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Includes a reference to exceptions provided in Subsection (d).

(d) Prohibits the court, if the court finds that the respondent is in contempt of court for failure or refusal to pay child support and that the respondent owes \$20,000 or more in child support arrearages, from waiving the requirement that the respondent pay attorney's fees and costs, unless the court also finds that the respondent is involuntarily unemployed or disabled and lacks the financial resources to pay the attorney's fees and costs.

SECTION 2. Amends the heading to Section 231.103, Family Code, to read as follows:

Sec. 231.103. APPLICATION AND SERVICE FEES.

SECTION 3. Amends Section 231.103, Family Code, by amending Subsection (a) and adding Subsections (d)-(h), as follows:

(a) Authorizes the Title IV-D agency to charge a reasonable application fee, charge a \$25 annual service fee, and, to the extent permitted by federal law, recover costs for the services provided in a Title IV-D case.

(d) Authorizes the Title IV-D agency to charge only an annual service fee in a Title IV-D case if the recipient of Title IV-D services has never received public assistance under Part A of Title IV of the federal Social Security Act (42 U.S.C. Section 601 et seq.) and the

recipient receives more than \$500 in support payments in a year. Authorizes the annual service fee to be deducted only from support payments that exceed \$500 annually.

(e) Authorizes the Title IV-D agency to impose and collect a fee as authorized by federal law for each request for parent locator services under Section 231.101(a) (Title IV-D Child Support Services).

(f) Authorizes the state disbursement unit established and operated by the Title IV-D agency under Chapter 234 (State Case Registry, Disbursement Unit, and Directory of New Hires) to collect a monthly service fee of \$3 deducted from support payments in a case for which the Title IV-D agency is not providing services.

(g) Requires the Title IV-D agency by rule to establish procedures for the imposition of fees and recovery of costs authorized under this section.

(h) Provides that the attorney general child support application and service fee account is an account in the general revenue fund in the state treasury. Provides that the account consists of all fees and costs collected under this section. Authorizes the Title IV-D agency only to use the money in the account for agency program expenditures.

SECTION 4. Amends Section 234.008, Family Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Includes a reference to exceptions provided in Subsection (c).

(c) Requires the state disbursement unit, in a case in which a service fee is authorized under Section 231.103(d), to deduct the amount of the fee from the support payment before the payment is disbursed to the obligee.

SECTION 5. (a) Effective date: September 1, 2003.

(b) Prohibits the Title IV-D agency from collecting the \$25 annual service fee authorized by Section 231.103, Family Code, as amended by this Act, before January 1, 2004.

(c) Provides that the change in law made by this Act does not by itself constitute a material and substantial change of circumstances under Section 156.401 (Grounds for Modification of Child Support), 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.

LIST OF COMMITTEE AMENDMENTS

Committee Amendment No. 1:

Strike "\$500" on page 2, lines 13 and 15, and replace it with "1,000.00" respectively.