

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 2, 2003

TO: Honorable Chris Harris, Chair, Senate Committee on Administration

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2126 by Castro (Relating to the manner of payment of child support to a local registry.),
As Engrossed

No fiscal implication to the State is anticipated.

The bill would authorize a local registry to accept child support payments made by credit card, debit card, or automatic teller machine (ATM) card. The bill would take effect September 1, 2003.

If a county is already set up to accept credit cards, debit cards, or ATM cards for other payments made to or through the county, there would be little or no cost to add acceptance of child support payments by one of those methods.

If a county were to establish a system for the local registry to accept credit cards, debit cards, or ATM cards for child support payments, the county would incur initial costs for equipment of at least \$650 per machine and processing software. The machines can process each type of card. Other costs are usually offset by charging a convenience fee. If a vendor is contracted to provide credit card service on line, the vendor charges the convenience fee directly to the payor, not to the government entity.

There are different card processing systems from which to choose. The most costly, approximately \$5,000, occurs if an existing computer system requires the writing of an interface for the government system to be compatible with the vendor's system.

Counties that collect other types of payments by credit card, debit card, or ATM card have experienced both a reduction in fiscal costs resulting from "insufficient fund" checks received and an increase in collection rates.

Local Government Impact

It is assumed that a local registry that chooses to accept child support payments by one of the methods authorized by the bill would select the most economical system in accordance with the local government's budget and would therefore experience an insignificant fiscal impact.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JK, SD, GO, JB, DLBa