

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Juvenile Justice & Family Issues

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2588 by Goodman (Relating to certain fees and costs that may be collected by the Title IV-D agency.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2588, Committee Report 1st House, Substituted: a positive impact of \$4,564,749 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$2,020,447
2005	\$2,544,302
2006	\$2,616,050
2007	\$2,691,337
2008	\$2,770,478

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>New General Revenue Related - Attorney General Child Support Application and Service Fee Account</i>	Probable Revenue Gain/ (Loss) from <i>FEDERAL FUNDS 555</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>
2004	\$2,020,447	\$3,922,044	(\$3,922,044)
2005	\$2,544,302	\$4,938,939	(\$4,938,939)
2006	\$2,616,050	\$5,078,215	(\$5,078,215)
2007	\$2,691,337	\$5,224,438	(\$5,224,438)
2008	\$2,770,478	\$5,377,987	(\$5,377,987)

Fiscal Analysis

The bill would authorize the Office of the Attorney General (OAG) to charge a \$25 annual fee for child support enforcement services provided in cases that are opened upon application. The fee may be charged to cases in which child support payments collected exceed \$500 annually. This provision of the bill would be effective on January 1, 2004.

The bill would further authorize the OAG to charge a monthly service fee of \$3 for child support disbursement services provided in cases not being enforced by the OAG and a \$25 annual fee for parent locator services. These provisions would be effective on September 1, 2003.

The bill would create the attorney general child support application and service fee account in the general revenue fund of the state treasury.

Methodology

It is assumed that the OAG will charge the fees authorized by the proposal. It is assumed that a \$25 annual fee will be charged to cases involving parties that have never received cash assistance from the Temporary Assistance to Needy Families program. This caseload is estimated at 160,773 for FY 2004. It is assumed that the \$500 annual collection threshold would not impact the caseload. The number of cases is adjusted for an implementation date of January 1, 2004. Thereafter, the OAG assumes a 5% increase in caseload per year.

It is assumed that a \$3 monthly service fee will be charged to child support cases that are not enforced by the OAG but are disbursed by the state disbursement unit. The OAG estimates 82,304 cases per year will be charged this fee in FY 2004-2008. It is estimated that the \$25 locator fee will be charged to 12,000 cases per year. It is assumed that the \$3 fee and the \$25 locator fee will be charged beginning on September 1, 2003.

Revenues collected will be divided between the state and federal government. (66% federal share).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts

LBB Staff: JK, KE, JO, GO, AJ, KG