

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1377 Child Support  
**SPONSOR(S):** Gottlieb & others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2924

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Children's Services (Sub)		Preston	Liem
2) Future of Florida's Families			
3) Commerce & Local Affairs Appropriations (Sub)			
4) Appropriations			
5)			

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**SUMMARY ANALYSIS**

The bill provides that the method used by the Department of Revenue (DOR) to determine that a support collection is undistributable must include reasonable efforts to locate and notify persons to whom collections or refunds are owed, including the disclosure of names and other identifying information on the Internet. The bill also provides that the Department of Financial Services (DFS) may publish notification related to undistributed support collections in the same manner as unclaimed property.

There appears to be no fiscal impact from the bill.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

#### B. EFFECT OF PROPOSED CHANGES:

##### **Undistributable Collections**

Section 409.2558, Florida Statutes, was created in 1998 to require the Department of Revenue (DOR) to distribute and disburse child support payments collected in Title IV-D cases in accordance with 42 U.S.C. s. 657 and regulations adopted thereunder by the Secretary of the United States Department of Health and Human Services.<sup>1</sup> The federal Office of Child Support Enforcement has stated that processing undistributable payments should be a matter of state law, but that if such collections are treated as unclaimed property or become property of the state, they are to be considered as program income and an amount equal to the federal financial participation (66%) must be transferred to the federal government.

In 2001, the law related to disbursement and distribution was amended to create a method for classifying collections as undistributable, a method for processing those collections, and a method for retrieving those collections from General Revenue and the federal government if the parties were later identified or located.<sup>2</sup> An "undistributable collection" is defined as a support payment received by DOR which the department determines cannot be distributed to the final intended recipient.<sup>3</sup> This happens most often when a party moves and does not notify the Department of the address change.

##### **Unclaimed Property**

As a general rule, all intangible property, including any income that is held, issued, or owing in the ordinary course of the holder's business and the owner fails to claim such property for more than 5 years after the property becomes payable or distributable is presumed unclaimed, with some exceptions.<sup>4</sup>

Currently, the Department of Financial Services (DFS) is required to make an effort to notify owners of unclaimed property in a cost-effective manner through at least one active attempt to notify owners of the existence of unclaimed property held by the department. Such active attempt to locate apparent owners shall include any direct attempt by the department to contact the owner or other passive attempts to contact the owner, such as publication of the names of owners in the newspaper, on television, on the Internet, or through other promotional efforts.<sup>5</sup>

<sup>1</sup> See Chapter 98-397, Laws of Florida.

<sup>2</sup> See Chapter 2001-158, Laws of Florida.

<sup>3</sup> See §409.2554, Florida Statutes.

<sup>4</sup> See §717.102, Florida Statutes.

<sup>5</sup> See §717.118, Florida Statutes.

The bill provides that the method used by DOR to determine a collection as undistributable must include reasonable efforts to locate and notify persons to whom collections or refunds are owed, including the publication of names and other identifying information on the Internet. The bill also provides that DFS may publish notification of undistributable support collections in the same manner as unclaimed property.

C. SECTION DIRECTORY:

**Section 1.** Amends §409.2558, Florida Statutes, related to the distribution and disbursement of support, to provide that the method used by DOR to determine a collection as undistributable must include reasonable efforts to locate and notify persons to whom collections or refunds are owed, including the publication of names and other identifying information on the Internet.

**Section 2.** Amends §717.118, Florida Statutes, related to notice and publication of lists of unclaimed property, to allow the Department of Financial Services to publish notification of undistributed support collections in the same manner as unclaimed property.

**Section 3.** Provides for an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If parties who are due collections or refunds from support payments that have been determined to be undistributable can be located, those moneys can be refunded or distributed to those individuals.

D. FISCAL COMMENTS:

None.

## III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not affect county or municipal government.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**