

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1377 w/CS Child Support

**SPONSOR(S):** Gottlieb

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2924

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Children's Services (Sub)</u>	<u>7 Y, 0 N</u>	<u>Preston</u>	<u>Liem</u>
2) <u>Future of Florida's Families</u>	<u>16 Y, 0 N w/CS</u>	<u>Preston</u>	<u>Liem</u>
3) <u>Commerce &amp; Local Affairs Apps. (Sub)</u>	<u></u>	<u>Belcher</u>	<u>Belcher</u>
4) <u>Appropriations</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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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 specified identifying information on the Internet.

There appears to be no fiscal impact on state or local governments.

The direct positive economic impact on the private sector is unknown; however, 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.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h1377c.ap.doc

**DATE:** March 31, 2004

## 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 checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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 hereunder 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.

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 specified identifying information on the Internet.

#### C. SECTION DIRECTORY:

**Section 1.** Amends section 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.** Provides for an effective date of July 1, 2004.

<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.

## 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

On March 15, 2004, the Subcommittee on Children's Services adopted a strike everything amendment that removed the provisions of the bill related to the Department of Financial Services.

On March 17, 2004, the Committee on the Future of Florida's Families adopted an amendment to the strike everything amendment that was adopted in subcommittee on March 15, 2004. The amendment specified the identifying information that will be advertised on the Internet related to undistributable child support collections.

This analysis reflects the bill as amended.