

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 130** SLS 10RS 237

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 20, 2010	11:10 AM	Author: MORRELL
Dept./Agy.: Social Services		Analyst: Patrice Thomas
Subject: Collection of Child Support by Private Party		

SOCIAL SERVICES DEPT

RE1 INCREASE SG RV See Note

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Provides for collection of child support by private party agencies. (gov sig)

Proposed law creates the Louisiana Child Support Collection Protection Act that provides regulations on the activities and operations of private child support collection agencies. Proposed law defines a "private child support collection agency" and requires child support collection agencies to register with the Secretary of State; provide a \$50,000 surety bond or cash to the Department of the Treasury; specific contract disclosures and clauses; duties of child support collection agencies; and places a 15% cap on fees charged. Proposed law provides criminal penalties for prohibited practices violations of \$2,000 or imprisonment of up to 6 months and registration violations of \$500-\$1,000 or imprisonment for up to 6 months. Proposed law provides for enforcement by district attorneys.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on state governmental expenditures as a result of this measure. This legislation places regulations on the operation and activities of private collection agencies, requires registration with the Secretary of State, and provides for misdemeanor criminal penalties and enforcement by district attorneys. This legislation may result in more monies sent to custodial parents due to a 15% maximum cap placed on the fees charged by private collection agencies. The Secretary of State has indicated no material effect on expenditures as a result of this legislation. The Treasurer has indicated a minimal effect on expenditures as a result of this legislation.

The proposed legislation may result in an increase in local government expenditures if a private child support collection agency or any individual directly involved in providing support enforcement services is prosecuted and convicted of willfully violating prohibited practices defined in this legislation or fails to register with the Secretary of State. The proposed legislation is a misdemeanor; therefore, these offenders are not sentenced to the Department of Public Safety and Corrections. District attorneys and local law enforcement agencies may realize an indeterminable increase in expenditures associated with enforcement of this legislation. The cost increase will depend on the number of private child care collection agencies prosecuted and convicted.

REVENUE EXPLANATION

Revenues generated by the Secretary of State will increase as a result of this measure. This legislation requires all child care collection agencies to register with the Secretary of State; however no specific business organization type, i.e. corporation, partnership, or limited liability company, was mentioned in the legislation. The Secretary of State charges various registration fees depending on the business type and requires an annual report filing fee of \$25. Revenues generated from fees are indeterminable and will depend on the total number of new child care collection agencies that register and their business organization type.

In addition, this legislation authorizes penalties on child care collection agencies that engage in prohibited practices or fail to register with the Secretary of State and provides for the enforcement of these penalties by district attorneys. Any revenue generated through the imposition of fines created by this legislation would accrue to local government entities.

Senate

Dual Referral Rules

House

- 13.5.1 >= \$100,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$100,000 Annual SGF Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse
LFO Staff Director