

**SUBJECT:** Exclusion of the Family Code from registry-fund deductions

**COMMITTEE:** Juvenile Justice and Family Issues — favorable, without amendment

**VOTE:** 9 ayes — Goodman, Pickett, Isett, P. King, Morrison, Naishtat, A. Reyna, E. Reyna, Truitt  
0 nays

**WITNESSES:** None

**BACKGROUND:** Registry funds are monies relating to a matter before a given court that are tendered to a county or district clerk for deposit in the registry of that court. Currently, a county or district clerk deducts accounting and administrative costs incurred by the handling of noninterest-bearing registry funds at a rate of 5 percent of the value of the funds withdrawn, not to exceed \$50.

**DIGEST:** HB 870 would change Local Government Code, sec. 117.055(a) by excluding funds connected to Family Code litigation from registry-fund deductions made by a county or district clerk.  
  
HB 870 would take effect September 1, 1999, and would apply to fund withdrawals made on or after that date.

**SUPPORTERS SAY:** HB 870 would exempt from deduction any child-support payments deposited in a court's registry, allowing the full amount of these support payments to go to the parties involved. As registry funds relating to Family Code matters often involve limited financial resources, HB 870 would ensure that scarce funds are not diverted from the parties who most need them.  
  
These payments often are placed in a court's registry in noninterest-bearing accounts because they are in the registry only for a short while. County and district clerks usually incur only minimal administrative costs in managing these funds, and any loss of revenue due to this exemption would tend to be negligible.  
  
HB 870 would encourage counties to deposit funds in interest-bearing special and separate accounts. Under Local Government Code, sec. 117.054(b), a

county must deduct up to 10 percent of the interest earned from these accounts, while the principal is left untouched.

**OPPONENTS  
SAY:**

Besides child-support funds, HB 870 also would exempt from deduction fees earmarked for court-appointed attorneys and guardians involved in matters under the Family Code. While these fees more often are placed in interest-bearing accounts eligible for registry-fund deductions that fall under another statute, potentially exempting attorney's fees from the administrative cost deduction would go beyond the bill's limited purpose of exempting child support payments.