



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5384 (Substitute S-4 as reported by the Committee of the Whole)

Sponsor: Representative Lyn Banks

House Committee: Human Services

Senate Committee: Families, Mental Health and Human Services

CONTENT

The bill would amend the Support and Parenting Time Enforcement Act to provide for the suspension of an occupational license for failure to pay a support arrearage or to comply with court-ordered parenting time.

Specifically, the Office of the Friend of the Court (FOC) could petition the court for an order to suspend the payer's occupational license if all other following were true: an arrearage had accrued in an amount greater than the amount of periodic support payments payable for three months under the payer's support order; the payer held an occupational license, or the payer's occupation required an occupational license; and an order of income withholding was not applicable or had been unsuccessful in assuring regular payments on the support obligation and on the arrearage. The FOC could not consider a payer to have an arrearage if the payer produced documentary evidence that money had been withheld from his or her income in an amount equal to or greater than the amount required under the payer's support order.

The payer could request a hearing on the proposed suspension. If the court determined that the payer had accrued an arrearage on his or her support order and that the payer had, or by the exercise of due diligence could have, the capacity to pay all or some portion of the amount due, the court would have to order the payment of the arrearage in installments. After the notice of intended license suspension was sent, the court could order the suspension of the payer's occupational license if the payer failed to comply with an arrearage payment schedule, or if the payer failed to pay the arrearage and failed either to request a hearing or to appear for a hearing scheduled after such a request.

A court also could order that the suspension of a parent's occupational license be conditional upon noncompliance with an order for makeup and ongoing parenting time. If the court entered such an order, and the parent failed to comply, the court would have to find the parent in contempt and, after notice and an opportunity for a hearing, could order suspension of the parent's occupational license.

The bill would take effect January 1, 1997. The bill is tie-barred to Senate Bill 881 and to House Bills 5386, 5387, 5388, and 5389, which would amend various acts to provide for the suspension of an occupational license or a driver's license for failure to pay a support arrearage or to comply with a support or parenting time order. The bill also is tie-barred to House Bill 5385, which would create the "Regulated Occupation Support Enforcement Act" to require an occupational regulatory agency to comply with a license suspension order.

MCL 552.602 et al.

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bills would add to the administrative duties of the Friend of the Court, but would have no significant fiscal impact on the courts.

The bills allow the departments to charge their customary reinstatement fees for those licensees affected. This increased revenue should cover any additional cost incurred by the departments. There is no estimate as to the number of licenses that could be suspended under these bills.

The bills would have an indeterminate fiscal impact on the Family Independence Agency (FIA) (formerly the Department of Social Services (DSS)) budget. The FIA Office of Child Support Enforcement would incur some increased costs, but the Senate Fiscal Agency is unable to determine exactly what they would be at this time. Information regarding an occupational license would need to be incorporated into the support enforcement data collection system for each affected child support payer. The capability to match information on licenses with the Department of Commerce would be needed to enhance enforcement. Also, Child Support Enforcement System staff would need some specific training on system changes, but this cost may not be significant. The FIA Family Independence Program (FIP) (formerly the Aid to Families with Dependent Children (AFDC)) program could incur some program savings from increased support collections from payers whose families are State welfare recipients. An increase in arrearage collections currently received as a result of increased enforcement through possible license suspension would offset assistance program expenditures. At this time it is not possible to determine how many license holders are child support payers with outstanding support payments. However, the FIA could be requested to monitor the impact of the bills and report to the Legislature.

Date Completed: 5-13-96

Fiscal Analyst: M. Bain
M. Barsch

floor\hb5384

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.