

HOUSE BILL No. 5833

April 9, 2002, Introduced by Reps. Murphy, Jacobs, Bernero, Bogardus, McConico, Dennis, Waters, Zelenko, Lockwood, Switalski, Daniels, Hale and Lemmons and referred to the Committee on Family and Children Services.

A bill to provide for support of children whose parents fail to comply with court-ordered child support; and to prescribe the powers and duties of certain state departments, officers, and employees in the distribution of undisbursed child support.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act shall be known and may be cited as
2 the "child support assurance project act".

3 (2) As used in this act:

4 (a) "Children's trustee" means the position established in
5 section 2a of the uniform unclaimed property act, 1995 PA 29, MCL
6 567.222a.

7 (b) "Court" means the circuit court.

8 (c) "CSAP" or "child support assurance project" means the
9 program for distributing undisbursed child support prescribed by
10 this act.

1 (d) "CSAP payment" or "child support assurance project
2 payment" means money distributed to a payee under the child sup-
3 port assurance project.

4 (e) "Department" means the family independence agency.

5 (f) "Eligible child" means a child eligible for CSAP
6 payments.

7 (g) "Eligible custodian" means a child's custodian who is
8 eligible to receive CSAP payments on behalf of an eligible
9 child.

10 (h) "Friend of the court" means the individual serving under
11 section 21, or appointed under section 23, of the friend of the
12 court act, 1982 PA 294, MCL 552.521 and 552.523, as the head of
13 the office of the friend of the court.

14 (i) "Fund" means the undisbursed child support fund estab-
15 lished in section 24 of the uniform unclaimed property act, 1995
16 PA 29, MCL 567.244.

17 (j) "Intangible property" means that term as defined in sec-
18 tion 2 of the uniform unclaimed property act, 1995 PA 29, MCL
19 567.222.

20 (k) "Office of the friend of the court" or "office" means an
21 agency created by section 3 of the friend of the court act, 1982
22 PA 294, MCL 552.503.

23 (l) "Payer" means an individual who is obligated to pay
24 child support under a court order.

25 (m) "Payee" means the individual who receives, on behalf of
26 the child, child support paid under a court order.

1 (n) "Period of nonsupport" means the period of time during
2 which a child receives none of the child support ordered to be
3 paid under court order.

4 (o) "Undisbursed child support" means money paid as child
5 support to the friend of the court or the state disbursement unit
6 that is reportable and payable to the children's trustee under
7 the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to
8 567.265.

9 Sec. 2. (1) The children's trustee, in cooperation with the
10 department and friends of the court, shall establish and adminis-
11 ter the child support assurance project as prescribed by this
12 act. The child support assurance project shall be conducted
13 fairly and efficiently so as to fulfill its purpose of preventing
14 children who live in single-parent households and who are depen-
15 dent on court-ordered child support payments from living in, and
16 being subjected to the devastating effects of, poverty.

17 (2) Before February 1 of each year, the children's trustee
18 shall report to the legislature the amount of money in the fund
19 and the number of eligible children with eligible custodians as
20 of January 1 of that year. During a fiscal year in which the
21 legislature specifies the amount of a monthly CSAP payment, the
22 children's trustee shall distribute monthly CSAP payments to each
23 eligible child through that child's eligible custodian.

24 Sec. 3. (1) A child who meets the following criteria is an
25 eligible child:

26 (a) Is a resident of and is physically present in Michigan.

1 (b) Either is younger than age 18 or, for the time the child
2 is regularly attending high school on a full-time basis with a
3 reasonable expectation of completing sufficient credits to gradu-
4 ate from high school while residing on a full-time basis with an
5 eligible custodian, is older than age 17, but younger than age 19
6 years and 6 months.

7 (c) Has not received a court-ordered child support payment
8 within the 6 months before applying. The department shall exempt
9 a child from this criterion if the child or child's custodian has
10 a reasonable fear that bringing an action for child support would
11 result in an increased risk of physical or psychological violence
12 to the child or custodian.

13 (d) Has an employed eligible custodian or an unemployed,
14 disabled eligible custodian.

15 (2) An individual with whom an eligible child resides and
16 who meets the following criteria is an eligible custodian:

17 (a) Is a parent, guardian, or other legal custodian of the
18 eligible child. A putative father must establish paternity to
19 meet this criterion.

20 (b) Is the payee on behalf of the eligible child under a
21 child support order. The department shall exempt a custodian
22 from this criterion if the custodian has a reasonable fear that
23 bringing an action for child support would result in an increased
24 risk of physical or psychological violence to the eligible child
25 or custodian.

26 (c) If receiving financial assistance under the social
27 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, assigns to the

1 department the right to collect child support arrearages and
2 payments.

3 (d) Is employed or, if unemployed, is disabled under the
4 standards for disability the department sets for the CSAP.

5 (e) Has household income equal to or less than 200% of the
6 federal poverty level, as published by the United States depart-
7 ment of health and human services or its successor agency.

8 (f) Is cooperating with the office of child support in its
9 attempt to collect the child support due to the eligible child
10 under the child support order. The department shall exempt a
11 custodian from this criterion if the custodian has a reasonable
12 fear that attempting to establish paternity or enforce an exist-
13 ing child support order would result in an increased risk of
14 physical or psychological violence to the eligible child or
15 custodian.

16 (g) Child support under the child support order remains
17 unpaid.

18 (3) To receive CSAP payments, an eligible custodian shall
19 apply to the department under the procedure established by the
20 department, supplying information and documentation the depart-
21 ment requires to show that the custodian and child each meet the
22 eligibility criteria prescribed in this section.

23 Sec. 4. (1) The state shall hold the money in the fund in
24 trust for eligible children. Money held in the fund is not state
25 property. To the extent possible, the children's trustee shall
26 invest fund money in the same manner and under the same

1 restrictions that apply to the investment of state money under
2 1855 PA 105, MCL 21.141 to 21.147.

3 (2) The legislature shall appropriate money from the fund
4 only to the children's trustee for distribution as CSAP
5 payments. The children's trustee shall not distribute an appro-
6 priation under this section unless the legislature specifies in
7 the act making the appropriation the monthly CSAP payment
8 amount. The department of treasury shall issue CSAP payments as
9 the children's trustee directs.

10 Sec. 5. (1) In cooperating with the children's trustee in
11 the implementation of the CSAP, the department shall do all of
12 the following:

13 (a) Design a simple application form and procedure for cer-
14 tifying eligible children and eligible custodians, including
15 information and documents required to show eligibility.

16 (b) Extensively publicize the CSAP through offices of the
17 friend of the court and the office of child support, making
18 application forms and instructions available through those
19 offices.

20 (c) Refer information on eligible applicants to the office
21 of child support for confirmation and enforcement action.

22 (d) Transmit the names and addresses of, and other relevant
23 information about, eligible children, eligible custodians, and
24 child support payers to the children's trustee.

25 (2) In cooperating with the children's trustee in the imple-
26 mentation of the CSAP, each friend of the court and office of the
27 friend of the court shall do all of the following:

1 (a) Forward in a timely manner undisbursed child support as
2 required by the uniform unclaimed property act, 1995 PA 29, MCL
3 567.221 to 567.265.

4 (b) Accept and forward applications for the CSAP.

5 (c) Cooperate with the children's trustee and the department
6 in sharing records and information necessary for the administra-
7 tion of the CSAP.

8 (d) Give priority to actions to establish child support
9 orders for those children and custodians who wish to apply and
10 would likely be eligible for CSAP payments.

11 (e) Before February 1 regarding the last 6 months of the
12 previous calendar year and before August 1 regarding the first 6
13 months of the current calendar year, report to the appropriations
14 committees of the senate and house of representatives all of the
15 following:

16 (i) The number of CSAP applications received and forwarded
17 to the department.

18 (ii) The number of children who did not receive court
19 ordered child support during the 6-month period.

20 (iii) The amount of undisbursed child support divided into
21 categories based on the reason that the child support was not
22 disbursed.

23 (iv) Methods used to locate and contact child support
24 payers, such as agencies contacted and locator services
25 utilized.

26 (v) Recommendations for reducing the amount of undisbursed
27 child support.

1 Sec. 6. (1) Before February 1 regarding the last 6 months
2 of the previous calendar year and before August 1 regarding the
3 first 6 months of the current calendar year, the department of
4 treasury shall report to the appropriations committees of the
5 senate and house of representatives all of the following:

6 (a) The balance remaining in the fund as of January 1 and
7 July 1, respectively.

8 (b) The number of eligible children to whom CSAP payments
9 were made.

10 (c) The number of CSAP payments returned and the reasons for
11 the returns.

12 (d) Total undisbursed child support received from friends of
13 the court, divided into categories based on the reason that the
14 child support was not disbursed.

15 (2) Before February 1 regarding the last 6 months of the
16 previous calendar year and before August 1 regarding the first 6
17 months of the current calendar year, the state disbursement unit
18 established in section 6 of the office of child support act, 1971
19 PA 174, MCL 400.236, shall report to the appropriations commit-
20 tees of the senate and house of representatives the amount of
21 undisbursed child support, divided into categories based on the
22 reason that the child support was not disbursed, and the amount
23 of undisbursed child support remitted to each friend of the
24 court.

25 Enacting section 1. This act does not take effect unless
26 all of the following bills of the 91st Legislature are enacted
27 into law:

1 (a) House Bill No. 4918.

2 (b) Senate Bill No. _____ or House Bill No. 5834 (request

3 no. 03965'01).