

HOUSE BILL No. 5834

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 amend 1971 PA 174, entitled
"Office of child support act,"
by amending the title and sections 1 and 3 (MCL 400.231 and
400.233), the title and section 3 as amended by 1998 PA 112 and
section 1 as amended by 1999 PA 161, and by adding section 3b;
and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to create the office of child support; and to pre-
scribe certain powers and duties of the office, certain public
and private agencies, and certain employers and former employers;

3

AND TO REPEAL ACTS AND PARTS OF ACTS.

4

Sec. 1. As used in this act:

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(a) "Account" means any of the following:

- 1 (i) A demand deposit account.
- 2 (ii) A draft account.
- 3 (iii) A checking account.
- 4 (iv) A negotiable order of withdrawal account.
- 5 (v) A share account.
- 6 (vi) A savings account.
- 7 (vii) A time savings account.
- 8 (viii) A mutual fund account.
- 9 (ix) A securities brokerage account.
- 10 (x) A money market account.
- 11 (xi) A retail investment account.
- 12 (b) "Account" does not mean any of the following:
- 13 (i) A trust.
- 14 (ii) An annuity.
- 15 (iii) A qualified individual retirement account.
- 16 (iv) An account covered by the employee retirement income
- 17 security act of 1974, Public Law 93-406, 88 Stat. 829.
- 18 (v) A pension or retirement plan.
- 19 (vi) An insurance policy.
- 20 (c) "Address" means the primary address shown on the records
- 21 of a financial institution used by the financial institution to
- 22 contact an account holder.
- 23 (d) "Adult responsible for the child" means a parent, rela-
- 24 tive who has physically cared for the child, putative father, or
- 25 current or former guardian of a child, including an emancipated
- 26 or adult child.

(e) "Current employment" means employment within 1 year before a friend of the court request for information.

(f) "Department" means the family independence agency.

(g) "Financial asset" means stock, a bond, a money market fund, a deposit, an account, or a similar instrument.

(h) "Financial institution" means any of the following:

(i) A state or national bank.

(ii) A state or federally chartered savings and loan association.

(iii) A state or federally chartered savings bank.

(iv) A state or federally chartered credit union.

(v) An insurance company.

(vi) An entity that offers any of the following to a resident of this state:

(A) A mutual fund account.

(B) A securities brokerage account.

(C) A money market account.

(D) A retail investment account.

(vii) An entity regulated by the securities and exchange commission that collects ~~funds~~ MONEY from the public.

(viii) An entity that is a member of the national association of securities dealers and that collects ~~funds~~ MONEY from the public.

(ix) An entity that collects ~~funds~~ MONEY from the public.

(i) "Office" means the office of child support.

(j) "Payer", "recipient of support", "source of income", and "support" mean those terms as defined in section 2 of the support and parenting time enforcement act, 1982 PA 295, MCL 552.602.

(k) "State disbursement unit" or "SDU" means the entity established in section 6 for centralized state receipt and disbursement of support and fees.

(l) "UNDISBURSED CHILD SUPPORT" MEANS MONEY PAID AS CHILD SUPPORT TO THE FRIEND OF THE COURT OR THE SDU THAT IS REPORTABLE AND PAYABLE TO THE CHILDREN'S TRUSTEE AS REQUIRED UNDER THE UNIFORM UNCLAIMED PROPERTY ACT, 1995 PA 29, MCL 567.221 TO 567.265.

Sec. 3. The office shall do all of the following:

(a) Serve as a state agency authorized to administer part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 653a, 654a TO 655, 656 TO 660, and 663 to 669b.

(b) Assist any governmental agency or department in locating an adult responsible for the child for any of the following purposes:

(i) To establish parentage.

(ii) To establish, set the amount of, modify, or enforce support obligations.

(iii) To disburse support receipts.

(iv) To make or enforce child custody or parenting time orders.

(c) Coordinate any activity on a state level in a search for an adult responsible for the child.

1 (d) Obtain information that directly relates to the identity
2 or location of an adult responsible for the child.

3 (e) Serve as the information agency as provided in the
4 revised uniform reciprocal enforcement of support act, 1952 PA 8,
5 MCL 780.151 to 780.183, and uniform interstate family support
6 act, 1996 PA 310, MCL 552.1101 to 552.1901.

7 (f) Develop guidelines for coordinating activities of any
8 governmental department, board, commission, bureau, agency, or
9 council, or any public or private agency, in providing informa-
10 tion necessary for the location of an adult responsible for the
11 child.

12 (g) Develop, administer, and coordinate with the state and
13 federal departments of treasury a procedure for offsetting the
14 state tax refunds and federal income tax refunds of a parent who
15 is obligated to support a child and who owes past due support.
16 The procedure shall include a guideline that the office submit to
17 the state department of treasury, not later than November 15 of
18 each year, all requests for the offset of state tax refunds
19 claimed on returns filed or to be filed for that tax year.

20 (h) Develop and implement a statewide information system to
21 facilitate the establishment and enforcement of child support
22 obligations.

23 (i) Publicize through regular and frequent, nonsexist public
24 service announcements the availability of support establishment
25 and enforcement services.

26 (j) Develop and implement in cooperation with financial
27 institutions a data matching and lien and levy system to identify

1 assets of and to facilitate the collection of support from the
2 assets of individuals who have an account at a financial institu-
3 tion and who are obligated to pay support as provided in this
4 act.

5 (K) CARRY OUT ITS RESPONSIBILITIES IN RELATION TO UNDIS-
6 BURSED CHILD SUPPORT AS PROVIDED IN SECTION 3B.

7 SEC. 3B. (1) WITH THE GOAL OF REDUCING THE AMOUNT OF UNDIS-
8 BURSED CHILD SUPPORT AND ENSURING THAT EACH CHILD IS RECEIVING
9 THE CHILD SUPPORT TO WHICH THE CHILD IS ENTITLED, THE OFFICE
10 SHALL DO ALL OF THE FOLLOWING:

11 (A) DEVELOP AN ELECTRONIC DATABASE CAPABLE OF MONITORING
12 UNDISBURSED CHILD SUPPORT, BOTH CENTRALLY AND AT THE LOCAL LEVEL,
13 ON A MONTHLY BASIS.

14 (B) PROVIDE POLICIES AND PROCEDURES FOR, AND THE FORM AND
15 MANNER FOR REPORTING OF, THE MONTHLY MONITORING OF OFFICES OF THE
16 FRIEND OF THE COURT CASELOADS, CHILD SUPPORT COLLECTIONS, AND
17 UNDISBURSED CHILD SUPPORT.

18 (C) ESTABLISH PERFORMANCE STANDARDS FOR OFFICES OF THE
19 FRIEND OF THE COURT AND IDENTIFY THOSE OFFICES NOT MEETING THE
20 PERFORMANCE STANDARDS.

21 (D) DEVELOP AN UNDISBURSED CHILD SUPPORT REDUCTION TEAM THAT
22 ASSISTS OFFICES OF THE FRIEND OF THE COURT IN USING PROCEDURES,
23 INCLUDING ELECTRONIC DATABASES, TO ENSURE MORE TIMELY DISBURSE-
24 MENT OF CHILD SUPPORT.

25 (E) DEVELOP A SYSTEM OF COMMUNICATION WITH EACH OF THE FOL-
26 LOWING ENTITIES, TO ENSURE A MORE TIMELY DISBURSEMENT OF CHILD
27 SUPPORT:

1 (i) INTERNAL REVENUE SERVICE.

2 (ii) BUREAU OF REVENUE OF THE DEPARTMENT OF TREASURY.

3 (iii) UNITED STATES POSTAL SERVICE.

4 (iv) OTHER AGENCIES OF THE FAMILY INDEPENDENCE AGENCY.

5 (v) SOCIAL SECURITY ADMINISTRATION.

6 (vi) DEPARTMENT OF COMMUNITY HEALTH.

7 (vii) STATE FRIEND OF THE COURT BUREAU IN THE STATE COURT
8 ADMINISTRATIVE OFFICE.

9 (viii) EMPLOYERS REQUIRED TO COMPLY WITH WITHHOLDING
10 ORDERS.

11 (ix) INTERSTATE CHILD SUPPORT COLLECTION PROGRAMS.

12 (F) DEVELOP BEST PRACTICE PROCEDURES TO ADDRESS EACH OF THE
13 FOLLOWING THAT RESULTS IN UNDISBURSED CHILD SUPPORT:

14 (i) VOLUNTARY PAYERS.

15 (ii) INABILITY TO LOCATE CUSTODIAL AND NONCUSTODIAL
16 PARENTS.

17 (iii) FUTURE OR ADVANCED PAYERS.

18 (iv) CLOSED CASES.

19 (v) INTERSTATE COLLECTIONS.

20 (vi) TAX INTERCEPTS.

21 (G) DEVELOP A TRAINING PROGRAM FOR OFFICES OF THE FRIEND OF
22 THE COURT AND THE SDU ON THE BEST PRACTICE PROCEDURES DEVELOPED
23 UNDER SUBDIVISION (F) AND ON THEIR IMPLEMENTATION, IN ORDER TO
24 REDUCE UNDISBURSED CHILD SUPPORT.

25 (H) ESTABLISH PERFORMANCE STANDARDS TO DETERMINE ACCEPTABLE
26 LIMITS OF UNDISBURSED CHILD SUPPORT.

1 (I) DEVELOP A PAYMENT HISTORY DATABASE OF REPEAT
2 UNIDENTIFIED PAYERS.

3 (J) PROMOTE THE USE OF DIRECT DEPOSIT BY PAYEES OF CHILD
4 SUPPORT.

5 (K) PROVIDE, AFTER 1 YEAR AFTER THE EFFECTIVE DATE OF THIS
6 SECTION, A REPORT TO THE SENATE AND HOUSE APPROPRIATIONS COMMIT-
7 TEES ON THE MONTHLY UNDISBURSED CHILD SUPPORT AMOUNTS AND ON THE
8 CAUSES OF AND STEPS TAKEN TO REDUCE UNDISBURSED CHILD SUPPORT.

9 (2) THIS SECTION IS REPEALED 3 YEARS AFTER ITS EFFECTIVE
10 DATE.

11 Enacting section 1. This amendatory act does not take
12 effect unless all of the following bills of the 91st Legislature
13 are enacted into law:

14 (a) House Bill No. 4918.

15 (b) Senate Bill No. _____ or House Bill No. 5833 (request
16 no. 03964'01).