

HOUSE BILL No. 6008

May 7, 2002, Introduced by Reps. Hart, Tabor, Hummel, Kooiman, DeRossett, Howell, Newell, Voorhees, Vander Veen, Patterson, Caul, Raczkowski, Julian, George, Bisbee, Vear and Jansen 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 sections 1, 3, 3a, 4b, 6, 7, and 9 (MCL 400.231,
400.233, 400.233a, 400.234b, 400.236, 400.237, and 400.239), sec-
tion 1 as amended and sections 6, 7, and 9 as added by 1999
PA 161 and sections 3 and 3a as amended and section 4b as added
by 1998 PA 112, and by adding section 10.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1. As used in this act:
- 2 (a) "Account" means any of the following:
- 3 (i) A demand deposit account.
- 4 (ii) A draft account.
- 5 (iii) A checking account.
- 6 (iv) A negotiable order of withdrawal account.

(v) A share account.

(vi) A savings account.

(vii) A time savings account.

(viii) A mutual fund account.

(ix) A securities brokerage account.

(x) A money market account.

(xi) A retail investment account.

(b) "Account" does not mean any of the following:

(i) A trust.

(ii) An annuity.

(iii) A qualified individual retirement account.

(iv) An account covered by the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829.

(v) A pension or retirement plan.

(vi) An insurance policy.

(c) "Address" means the primary address shown on the records of a financial institution used by the financial institution to contact an account holder.

(d) "Adult responsible for the child" means a parent, relative who has physically cared for the child, putative father, or current or former guardian of a child, including an emancipated or adult child.

(e) "Current employment" means employment within 1 year before a ~~friend of the~~ court FAMILY SERVICES OFFICE 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 from the public.

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

(ix) An entity that collects funds 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.

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 655, 656 TO 660, and 663 to 669b.

(b) Assist ~~any~~ A 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.

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

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

(f) Develop guidelines for coordinating activities of ~~any~~ A governmental department, board, commission, bureau, agency, or council, or ~~any~~ A public or private agency, in providing

1 information necessary for the location of an adult responsible
2 for the child.

3 (g) Develop, administer, and coordinate with the state and
4 federal departments of treasury a procedure for offsetting the
5 state tax refunds and federal income tax refunds of a parent who
6 is obligated to support a child and who owes past due support.
7 The procedure shall include a guideline that the office submit to
8 the state department of treasury, not later than November 15 of
9 each year, all requests for the offset of state tax refunds
10 claimed on returns filed or to be filed for that tax year.

11 (h) Develop and implement a statewide information system to
12 facilitate the establishment and enforcement of child support
13 obligations.

14 (i) Publicize through regular and frequent, nonsexist public
15 service announcements the availability of support establishment
16 and enforcement services.

17 (j) Develop and implement in cooperation with financial
18 institutions a data matching and lien and levy system to identify
19 assets of and to facilitate the collection of support from the
20 assets of individuals who have an account at a financial institu-
21 tion and who are obligated to pay support as provided in this
22 act.

23 (K) PROVIDE DISCOVERY AND SUPPORT FOR SUPPORT ENFORCEMENT
24 ACTIVITIES AS PROVIDED IN THE SUPPORT AND PARENTING TIME ENFORCE-
25 MENT ACT, 1982 PA 295, MCL 552.601 TO 552.650.

26 (I) HAVE IN EFFECT SAFEGUARDS AGAINST THE UNAUTHORIZED USE
27 OR DISCLOSURE OF CASE RECORD INFORMATION THAT ARE DESIGNED TO

1 PROTECT THE PRIVACY RIGHTS OF THE PARTIES AS SPECIFIED IN
2 SECTIONS 454 AND 454a OF PART D OF TITLE IV OF THE SOCIAL SECUR-
3 ITY ACT, CHAPTER 531, 49 STAT. 620, 42 U.S.C. 654 AND 654a, AND
4 THAT ARE CONSISTENT WITH THE USE AND DISCLOSURE STANDARDS PRO-
5 VIDED UNDER SECTION 64 OF THE SOCIAL WELFARE ACT, 1939 PA 280,
6 MCL 400.64.

7 (M) AS PROVIDED IN SECTION 10, CENTRALIZE ADMINISTRATIVE
8 ENFORCEMENT REMEDIES AND DEVELOP AND IMPLEMENT A CENTRALIZED
9 ENFORCEMENT PROGRAM TO FACILITATE THE COLLECTION OF SUPPORT, FOR
10 COURT FAMILY SERVICES OFFICE CASES.

11 Sec. 3a. (1) Upon receipt of a request from the COURT
12 FAMILY SERVICES office ~~of the friend of the court~~ under section
13 24 of the support and parenting time enforcement act, 1982
14 PA 295, MCL 552.624, the office of child support shall initiate
15 offset proceedings against the state tax refunds and federal
16 income tax refunds of a parent who is obligated to support a
17 child and who owes past due support.

18 (2) The office shall send to a parent who is the subject of
19 a request under subsection (1) advance written notice of the pro-
20 posed offset. The notice shall inform the parent of the opportu-
21 nity to contest the offset of his or her state income tax refund
22 on the grounds that the offset is not proper because of a mistake
23 of fact concerning the amount of overdue support or the identity
24 of the parent.

25 (3) The office shall provide for the prompt reimbursement of
26 an amount withheld in error or an amount found to exceed the
27 amount of overdue support.

1 Sec. 4b. (1) A financial institution incurs no obligation
2 or liability to a depositor, account holder, or other person or
3 entity arising from the furnishing of a report or information to
4 the office, to an office agent or representative, or to the fed-
5 eral government or its designee under this act or from the fail-
6 ure to disclose to a depositor, account holder, or other person
7 that the name of a person was included in the report or informa-
8 tion provided.

9 (2) A financial institution incurs no obligation or liabil-
10 ity to the office or another person or entity for an error or
11 omission made in good faith compliance with this act.

12 (3) A financial institution incurs no obligation or liabil-
13 ity for blocking, freezing, placing a hold upon, surrendering, or
14 otherwise dealing with a person's or entity's financial assets in
15 response to a lien imposed or information provided ~~pursuant to~~
16 UNDER this act.

17 (4) A financial institution is not obligated to block,
18 freeze, place a hold upon, surrender, or otherwise deal with a
19 person's or entity's financial assets until served with and
20 having a reasonable opportunity to act upon a subpoena, summons,
21 warrant, court order, administrative order, lien, or levy served
22 upon the financial institution in accordance with the laws of
23 this state. A financial institution that surrenders financial
24 assets to the ~~friend of the~~ court FAMILY SERVICES OFFICE in
25 response to a lien imposed under state law is discharged from any
26 obligation or liability to the depositor, account holder, or

1 other person or entity related to the financial assets that are
2 surrendered to the ~~friend of the~~ court FAMILY SERVICES OFFICE.

3 (5) A financial institution that surrenders financial assets
4 to the ~~friend of the~~ court FAMILY SERVICES OFFICE may assess
5 the account holder a service charge not to exceed 10% of the
6 amount surrendered to the ~~friend of the~~ court FAMILY SERVICES
7 OFFICE. The service charge shall be in addition to any other fee
8 or charge authorized by this act or otherwise not prohibited by
9 law.

10 Sec. 6. (1) The state disbursement unit is established as
11 the direct responsibility of the office. The SDU shall use auto-
12 mated procedures, electronic processes, and computer-driven tech-
13 nology to the maximum extent feasible, efficient, and economical
14 to receive and disburse support and fees.

15 (2) The SDU is the single location to which a payer or
16 source of income subject to this section shall send a support or
17 fee payment. The SDU shall disburse a support payment to the
18 recipient of support within 2 business days after the SDU
19 receives the support payment. Not less than twice each calendar
20 month, the SDU shall disburse fees that it receives to the appro-
21 priate county treasurer or COURT FAMILY SERVICES office. ~~of the~~
22 ~~friend of the court.~~

23 (3) If a payer or source of income attempts to make a sup-
24 port or fee payment to the SDU and the payment transaction fails
25 due to nonsufficient funds, the SDU may take actions to collect
26 from the payer or source of income the support or fee payment
27 amount, plus an amount for the expense of those actions.

1 Sec. 7. (1) The department shall develop a schedule for the
2 transition from receipt and disbursement of support and fees by
3 COURT FAMILY SERVICES offices ~~of the friend of the court~~ to
4 centralized receipt and disbursement by the state disbursement
5 unit. The schedule may provide for the transition to take place
6 in stages so that, during the transition period, the SDU is
7 responsible for the receipt and disbursement of the support and
8 fee payments of less than all the payers and recipients of sup-
9 port whose cases are administered by a particular ~~office of the~~
10 ~~friend of the~~ court FAMILY SERVICES OFFICE. In developing the
11 schedule, the department shall consult with other state agencies
12 and with local agencies.

13 (2) In accordance with section 9 of the ~~friend of the~~
14 court FAMILY SERVICES OFFICE act, 1982 PA 294, MCL 552.509, and
15 the transition schedule developed under subsection (1), SDU
16 receipt and disbursement applies to the case of a payer or recip-
17 ient of support starting on the date specified in a notification
18 to the ~~office of the friend of the~~ court FAMILY SERVICES
19 OFFICE, which administers the case, that the SDU is prepared to
20 receive and disburse support and fees for the case or for a class
21 of cases to which the case belongs. As of the date that SDU
22 receipt and disbursement of support and fees applies to a partic-
23 ular support order, a provision in the order directing support
24 and fees to be paid to ~~an office of the friend of the~~ A court
25 FAMILY SERVICES OFFICE shall be considered to direct the payments
26 to the SDU.

1 Sec. 9. The department, the SDU, and each ~~office of the~~
2 ~~friend of the~~ court FAMILY SERVICES OFFICE shall cooperate in
3 the transition to the centralized receipt and disbursement of
4 support and fees. ~~An office of the friend of the~~ A court
5 FAMILY SERVICES OFFICE shall continue to receive and disburse
6 support and fees through the transition, based on the schedule
7 developed as required by section ~~6~~ 7, and modifications to that
8 schedule as the department considers necessary.

9 SEC. 10. (1) THE OFFICE MAY CENTRALIZE ADMINISTRATIVE
10 ENFORCEMENT PROCEDURES FOR SERVICES PROVIDED UNDER PART D OF
11 TITLE IV OF THE SOCIAL SECURITY ACT, CHAPTER 531, 49 STAT. 620,
12 42 U.S.C. 651 TO 655, 656 TO 660, AND 663 TO 669b. THE OFFICE
13 MAY CENTRALIZE ENFORCEMENT ACTIVITIES FOR COURT FAMILY SERVICES
14 OFFICE CASES, AS DEFINED IN SECTION 2 OF THE COURT FAMILY SERV-
15 ICES OFFICE ACT, 1982 PA 294, MCL 552.502, IN WHICH ARREARAGES
16 ARE EQUAL TO OR GREATER THAN THE AMOUNT OF SUPPORT PAYABLE FOR 12
17 MONTHS, OR BASED ON OTHER CRITERIA ESTABLISHED BY THE OFFICE AND
18 THE STATE COURT ADMINISTRATIVE OFFICE. EACH COURT FAMILY SERV-
19 ICES OFFICE SHALL PROVIDE THE OFFICE WITH INFORMATION NECESSARY
20 FOR THE OFFICE TO IDENTIFY CASES ELIGIBLE FOR CENTRALIZED
21 ENFORCEMENT, AS WELL AS CASE INFORMATION NECESSARY FOR THE OFFICE
22 TO PURSUE ENFORCEMENT REMEDIES.

23 (2) THE OFFICE'S CENTRALIZED ENFORCEMENT MAY INCLUDE, BUT IS
24 NOT LIMITED TO, 1 OR MORE OF THE FOLLOWING:

25 (A) AN ENFORCEMENT REMEDY AVAILABLE UNDER THE SUPPORT AND
26 PARENTING TIME ENFORCEMENT ACT, 1982 PA 295, MCL 552.601 TO
27 552.650.

(B) CONTRACTING WITH A PUBLIC OR PRIVATE COLLECTION AGENCY.

(C) CONTRACTING WITH A PUBLIC OR PRIVATE LOCATOR SERVICE.

(D) PUBLISHING A DELINQUENT PAYER'S NAME.

(E) A LOCAL OR REGIONAL AGREEMENT WITH A LAW ENFORCEMENT AGENCY OR PROSECUTOR.

(3) THE OFFICE SHALL DEVELOP A SYSTEM TO TRACK EACH COURT FAMILY SERVICES OFFICE CASE SELECTED FOR CENTRALIZED ENFORCEMENT SO THAT THE COURT FAMILY SERVICES OFFICE FROM WHICH THE CASE IS SELECTED CAN BE IDENTIFIED. THE OFFICE SHALL PROCESS COLLECTIONS RESULTING FROM CENTRALIZED ENFORCEMENT THROUGH THE SDU AND, FOR THE PURPOSE OF CHILD SUPPORT INCENTIVE CALCULATIONS, SHALL CREDIT THOSE COLLECTIONS TO THE COURT FAMILY SERVICES OFFICE IDENTIFIED WITH THE CASE.

(4) THIS SECTION DOES NOT LIMIT THE OFFICE'S ABILITY TO ENTER INTO AGREEMENTS FOR CHILD SUPPORT ENFORCEMENT WITH A COURT FAMILY SERVICES OFFICE, LAW ENFORCEMENT AGENCY, PROSECUTOR, GOVERNMENT UNIT, OR PRIVATE ENTITY AS THAT ABILITY EXISTED ON THE EFFECTIVE DATE OF THIS SECTION.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. _____ or House Bill No. 6011 (request no. 04605'01 *) of the 91st Legislature is enacted into law.