

Act No. 564
Public Acts of 2002
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STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002

Introduced by Reps. Hart, Tabor, Hummel, Kooiman, DeRossett, Howell, Newell, Voorhees, Vander Veen, Patterson, Caul, Raczkowski, Julian, George, Bisbee, Vear and Jansen

ENROLLED HOUSE BILL No. 6008

AN ACT to amend 1971 PA 174, entitled "An act to create the office of child support; and to prescribe certain powers and duties of the office, certain public and private agencies, and certain employers and former employers," by amending sections 1, 3, and 9 (MCL 400.231, 400.233, and 400.239), section 1 as amended and section 9 as added by 1999 PA 161 and section 3 as amended by 1998 PA 112, and by adding section 10.

The People of the State of Michigan enact:

Sec. 1. As used in this act:

- (a) "Account" means any of the following:
 - (i) A demand deposit account.
 - (ii) A draft account.
 - (iii) A checking account.
 - (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 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) “Friend of the court case” means that term as defined in section 2 of the friend of the court act, 1982 PA 294, MCL 552.502. The term “friend of the court case”, when used in a provision of this act, is not effective until on and after the effective date of section 5a of the friend of the court act, MCL 552.505a.

(k) “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.

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

(m) “Title IV-D” means part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 657, 658a to 660, and 663 to 669b.

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

(a) Serve as a state agency authorized to administer title IV-D.

(b) Assist 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 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 a governmental department, board, commission, bureau, agency, or council, or a public or private agency, in providing information necessary for the location of an adult responsible for the child.

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

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

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

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

(k) Provide discovery and support for support enforcement activities as provided in the support and parenting time enforcement act, 1982 PA 295, MCL 552.601 to 552.650.

(l) Have in effect safeguards against the unauthorized use or disclosure of case record information that are designed to protect the privacy rights of the parties as specified in sections 454 and 454a of title IV-D, 42 U.S.C. 654 and 654a, and that are consistent with the use and disclosure standards provided under section 64 of the social welfare act, 1939 PA 280, MCL 400.64.

(m) As provided in section 10 for friend of the court cases, centralize administrative enforcement remedies and develop and implement a centralized enforcement program to facilitate the collection of support.

Sec. 9. The department, the SDU, and each office of the friend of the court shall cooperate in the transition to the centralized receipt and disbursement of support and fees. An office of the friend of the court shall continue to receive and disburse support and fees through the transition, based on the schedule developed as required by section 7, and modifications to that schedule as the department considers necessary.

Sec. 10. (1) Based on criteria established by the office and the state court administrative office, the office may centralize administrative enforcement procedures for services provided under title IV-D. The office may also centralize enforcement activities for friend of the court cases based on criteria established by the office and the state court administrative office. The criteria for centralizing enforcement activities for a friend of the court case shall require, at a minimum, both of the following:

(a) That support enforcement measures undertaken by the office of the friend of the court have been unsuccessful, including, but not limited to, a lack of regular and substantial payments against the arrearage.

(b) That the arrearage is equal to or greater than the amount of support payable either for 12 months or, if the recipient of support requests centralization of enforcement activities, for 6 months.

(2) Each office of the friend of the court shall provide the office with information necessary for the office to identify cases eligible for centralized enforcement, as well as case information necessary for the office to pursue enforcement remedies.

(3) The office's centralized enforcement may include, but is not limited to, 1 or more of the following:

(a) An enforcement remedy available under the support and parenting time enforcement act, 1982 PA 295, MCL 552.601 to 552.650.

(b) Contracting with a public or private collection agency. Except upon the request of the recipient of support, an additional fee shall not be charged to the recipient of support for collection services by any public or private collection agency contracting under this subdivision.

(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.

(4) The office shall notify the custodial parent in each friend of the court case that the office selects for centralized enforcement that the parent's case has been selected.

(5) The office shall develop a system to track each friend of the court case selected for centralized enforcement so that the office of the friend of the court 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 office of the friend of the court identified with the case. In consultation with the state court administrative office, the office shall establish policies and procedures for expenses related to enforcement activities under this act.

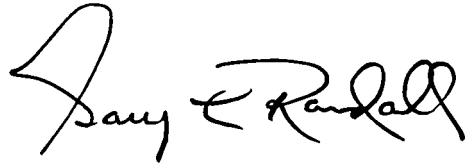
(6) This section does not limit the office's ability to enter into agreements for child support enforcement with an office of the friend of the court, law enforcement agency, prosecutor, government unit, or private entity as that ability existed on the effective date of this section.

(7) Within 1 year after the effective date of this section and within 1 year after the deadline for the previous report, the office shall submit an annual report to the legislature regarding friend of the court cases assigned to a private

collection agency for support collection under a contract with the office. The report shall include at least all of the following for each private collection agency that was assigned friend of the court cases for support collection:

- (a) Total number of friend of the court cases assigned.
- (b) Total number of those friend of the court cases in which a support payment was received.
- (c) Total support collected for those friend of the court cases.
- (d) Total support due for those friend of the court cases.

Enacting section 1. This amendatory act takes effect December 1, 2002.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.