

Fiscal Analysis

AMEND PAST DUE CHILD SUPPORT SURCHARGE



Bill/Sponsor **HOUSE BILL 4774 SUBSTITUTE H-1, Rep. Jim Howell**

House Committee Judiciary

Analysis

Summary

This bill would amend the Support and Parenting Time Enforcement Act, PA 295 of 1982, to change the surcharge calculation on past due child support from 8% annually to 4% semiannually, based on a semiannual cycle of January 1 and July 1 of each year. A party or the Friend of the Court may file a motion with the court that provides for discharge of the surcharge assessed and for the waiver of future surcharges, if the court finds that specific conditions are met. These conditions are; (a) the arrearage did not result from conduct by the payer engaged in exclusively for the purpose of avoiding a support obligation, (b) the payer has no present or future ability to pay the arrearage absent a repayment plan that waives or discharges the surcharge assessed, (c) the payer's repayment plan is reasonable based on his or her current ability to pay, and (d) the surcharge accrued or will accrue after the effective date of this amendatory act.

Fiscal Impact

This bill has no fiscal impact on the Family Independence Agency. It may possibly reduce the administrative costs of the Friend of the Court and the Judiciary by eliminating the need to compute, record and attempt to collect surcharge amounts under the four conditions described above, but this amount is not determinable.

Analyst(s)

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FLOOR ANALYSIS - 6/20/03

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