

Fiscal Analysis

CHILD SUPPORT PAYMENT PLANS



Bill/Sponsor **HOUSE BILL 4792 SUBSTITUTE H-1, Rep. John Garfield**

House Committee Judiciary

Analysis **Summary**

This bill would amend the Support and Parenting Time Enforcement Act, Public Act 295 of 1982, to allow a payer who has a child support arrearage to file a motion with the Circuit Court for a payment plan to pay arrearages and to discharge or abate arrearages. The bill lists conditions which must be met before for the Circuit Court grants approval. The Court must find that the plan is; (a) in the best interest of the parties and children, and (b) the payee agrees to the plan and is not acting under duress or (c) the arrearage is owed to the State of Michigan or a political subdivision and the payer establishes that he or she has no ability to pay the arrearage without a payment plan, and that the plan will pay a reasonable portion of the arrearage over a reasonable period of time. The payment plan may be modified to reinstate arrearages if the payer receives property such as lottery winnings or an inheritance sufficient to pay any arrearages previously discharged. The Court may also require the payer to meet other conditions as part of the payment plan, such as participation in work programs, or counseling programs concerning substance abuse, anger management, batterer intervention and parenting skills, as well as requiring continued compliance with a current child support order. The Family Independence Agency (FIA) would be required to designate an office to receive service of a motion to establish a payment plan as described above. The FIA Office of Child Support, within 56 days, must either issue a waiver consenting to the court considering the merits of the proposed payment plan and agreeing to compromise arrearages the court orders, or notify the payer that it does not consent to a compromise of arrearages.

Fiscal Impact

There is no significant fiscal impact on the Family Independence Agency. The Friend of the Court offices may see some reduction in administrative costs due to the decreased need to calculate and monitor arrearages, but this amount is not determinable, and may be offset by the cost of monitoring the payment plans.

Analyst(s)
Richard Child

FLOOR ANALYSIS - 6/24/03

Mitchell Bean, Director – House Fiscal Agency
124 N. Capitol Avenue, Lansing, MI 48909
Phone: (517)373-8080, Fax: (517)373-5874
<http://www.house.mi.gov/hfa>

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