

**SUBSTITUTE FOR
SENATE BILL NO. 1319**

A bill to amend 1971 PA 174, entitled
"Office of child support act,"
by amending sections 1, 5, and 6 (MCL 400.231, 400.235, and
400.236), section 1 as amended by 2002 PA 564, section 5 as
amended by 1998 PA 112, and section 6 as added by 1999 PA 161.

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.
- 7 (v) A share account.
- 8 (vi) A savings account.
- 9 (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.

(xii) An electronic access or debit card.

(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.

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

3 (iii) A state or federally chartered savings bank.

4 (iv) A state or federally chartered credit union.

5 (v) An insurance company.

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

8 (A) A mutual fund account.

9 (B) A securities brokerage account.

10 (C) A money market account.

11 (D) A retail investment account.

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

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

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

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

18 (j) "Friend of the court case" means that term as defined in
19 section 2 of the friend of the court act, 1982 PA 294, MCL
20 552.502. The term "friend of the court case", when used in a
21 provision of this act, is not effective until on and after ~~the~~
22 ~~effective date of section 5a of the friend of the court act, MCL~~
23 ~~552.505a~~ **December 1, 2002.**

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

27 (l) "State disbursement unit" or "SDU" means the entity

1 established in section 6 for centralized state receipt and
2 disbursement of support and fees.

3 (m) "Title IV-D" means part D of title IV of the social
4 security act, ~~chapter 531, 49 Stat. 620,~~ 42 ~~U.S.C.~~ **USC** 651 to
5 655, 656 to 657, 658a to 660, and 663 to 669b.

6 Sec. 5. (1) The information obtained by the office shall be
7 available to a governmental department, board, commission,
8 bureau, agency, political subdivision of any state, a court of
9 competent jurisdiction, or the federal government for purposes of
10 administering, enforcing, and complying with state and federal
11 laws governing child support and domestic relations matters.

12 Unless otherwise precluded by state or federal law, the
13 information obtained by the office is also available for purposes
14 specified in 45 ~~C.F.R.~~ **CFR** 303.21. **The office shall not**
15 **release information regarding the use or payment history of an**
16 **electronic access or debit card. Information pertaining to this**
17 **type of account, if needed, shall be obtained from the recipient**
18 **of support or the recipient's financial institution.**

19 (2) The office shall not release information on an address or
20 other information concerning an adult responsible for a child to
21 another adult responsible for the child if the release is
22 prohibited by a court order or if the office has reason to
23 believe that release of information may result in physical or
24 emotional harm to that adult or to the child. The office shall
25 notify the federal government, and courts and agents of courts,
26 about domestic violence or child abuse under part D of title IV
27 of the social security act, ~~chapter 531, 49 Stat. 620,~~ 42

1 ~~U.S.C.~~ **USC** 651 to 660 and 663 to 669b.

2 Sec. 6. (1) The state disbursement unit is established as
3 the direct responsibility of the office. The SDU shall use
4 automated procedures, electronic processes, and computer-driven
5 technology to the maximum extent feasible, efficient, and
6 economical to receive and disburse support and fees.

7 (2) The SDU is the single location to which a payer or source
8 of income subject to this section shall send a support or fee
9 payment. The SDU shall disburse a support payment to the
10 recipient of support within 2 business days after the SDU
11 receives the support payment. Not less than twice each calendar
12 month, the SDU shall disburse fees that it receives to the
13 appropriate county treasurer or office of the friend of the
14 court.

15 (3) If a payer or source of income attempts to make a support
16 or fee payment to the SDU and the payment transaction fails due
17 to nonsufficient funds, the SDU may take actions to collect from
18 the payer or source of income the support or fee payment amount,
19 plus an amount for the expense of those actions.

20 (4) **By not later than 1 year after the effective date of the**
21 **amendatory act that added this subsection, the SDU shall disburse**
22 **support electronically, in not fewer than 3 counties in this**
23 **state, to either the recipient of support's account in a**
24 **financial institution or to a special account that may be**
25 **accessed by the recipient of support by an electronic access**
26 **card. By not later than 2 years after the effective date of the**
27 **amendatory act that added this subsection, the SDU shall disburse**

1 support electronically either to the recipient of support's
2 account in a financial institution or to a special account that
3 may be accessed by the recipient of support by an electronic
4 access card. This subsection does not apply under any of the
5 following circumstances:

6 (a) If electronic transfer is not feasible to meet federal
7 requirements on the disbursement of child support payments.

8 (b) If the support payment is from a source that is
9 nonrecurring or that is not expected to continue in a 12-month
10 period.

11 (c) The recipient of support is a person with a mental or
12 physical disability that imposes a hardship in accessing an
13 electronically transferred payment.

14 (d) The recipient of support is a person with a language or
15 literacy barrier that imposes a hardship in accessing an
16 electronically transferred payment.

17 (e) The recipient of support's home and work addresses are
18 more than 30 miles from an automated teller machine and more than
19 30 miles from a financial institution where funds in the
20 recipient's account may be accessed.