

# HOUSE BILL No. 4635

May 6, 2003, Introduced by Reps. Murphy, Clack, Accavitti, Stallworth, Byrum, Hopgood, Condino, Sak, Plakas, Jamnick, Gielegem, Elkins, Vagnozzi, Law, Dennis and Hardman 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 the title and sections 1 and 3 (MCL 400.231 and 400.233), the title as amended by 1998 PA 112 and sections 1 and 3 as amended by 2002 PA 564, and by adding section 3b; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

TITLE

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; **and to repeal acts and parts of acts.**

Sec. 1. As used in this act:

(a) "Account" means any of the following:

(i) A demand deposit account.

- 1           (ii) A draft account.
- 2           (iii) A checking account.
- 3           (iv) A negotiable order of withdrawal account.
- 4           (v) A share account.
- 5           (vi) A savings account.
- 6           (vii) A time savings account.
- 7           (viii) A mutual fund account.
- 8           (ix) A securities brokerage account.
- 9           (x) A money market account.
- 10          (xi) A retail investment account.
- 11          (b) "Account" does not mean any of the following:
- 12           (i) A trust.
- 13           (ii) An annuity.
- 14           (iii) A qualified individual retirement account.
- 15           (iv) An account covered by the employee retirement income
- 16 security act of 1974, Public Law 93-406, 88 Stat. 829.
- 17           (v) A pension or retirement plan.
- 18           (vi) An insurance policy.
- 19          (c) "Address" means the primary address shown on the records
- 20 of a financial institution used by the financial institution to
- 21 contact an account holder.
- 22          (d) "Adult responsible for the child" means a parent,
- 23 relative who has physically cared for the child, putative father,
- 24 or current or former guardian of a child, including an
- 25 emancipated or adult child.
- 26          (e) "Current employment" means employment within 1 year
- 27 before a friend of the court request for information.

1 (f) "Department" means the family independence agency.

2 (g) "Financial asset" means stock, a bond, a money market  
3 fund, a deposit, an account, or a similar instrument.

4 (h) "Financial institution" means any of the following:

5 (i) A state or national bank.

6 (ii) A state or federally chartered savings and loan  
7 association.

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

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

10 (v) An insurance company.

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

13 (A) A mutual fund account.

14 (B) A securities brokerage account.

15 (C) A money market account.

16 (D) A retail investment account.

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

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

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

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

23 (j) "Friend of the court case" means that term as defined in  
24 section 2 of the friend of the court act, 1982 PA 294,  
25 MCL 552.502. The term "friend of the court case", when used in a  
26 provision of this act, is not effective until on and after ~~the~~  
27 ~~effective date of section 5a of the friend of the court act,~~

1 ~~MCL 552.505a~~ **December 1, 2002.**

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

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

8 (m) "Title IV-D" means part D of title IV of the social  
9 security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655,  
10 656 to 657, 658a to 660, and 663 to 669b.

11 (n) **"Undisbursed child support" means money paid as child**  
12 **support to the friend of the court or the SDU that is reportable**  
13 **and payable to the children's trustee as required under the**  
14 **uniform unclaimed property act, 1995 PA 29, MCL 567.221 to**  
15 **567.265.**

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

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

19 (b) Assist a governmental agency or department in locating an  
20 adult responsible for the child for any of the following  
21 purposes:

22 (i) To establish parentage.

23 (ii) To establish, set the amount of, modify, or enforce  
24 support obligations.

25 (iii) To disburse support receipts.

26 (iv) To make or enforce child custody or parenting time  
27 orders.

1 (c) Coordinate activity on a state level in a search for an  
2 adult responsible for the child.

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

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

9 (f) Develop guidelines for coordinating activities of a  
10 governmental department, board, commission, bureau, agency, or  
11 council, or a public or private agency, in providing information  
12 necessary for the location of an adult responsible for the  
13 child.

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

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

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

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

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

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

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

21          (n) **Carry out its responsibilities in relation to undisbursed**  
22 **child support as provided in section 3b.**

23          **Sec. 3b. (1) With the goal of reducing the amount of**  
24 **undisbursed child support and ensuring that each child is**  
25 **receiving the child support to which the child is entitled, the**  
26 **office shall do all of the following:**

27          **(a) Develop an electronic database capable of monitoring**

1 undisbursed child support, both centrally and at the local level,  
2 on a monthly basis.

3 (b) Provide policies and procedures for, and the form and  
4 manner for reporting of, the monthly monitoring of offices of the  
5 friend of the court caseloads, child support collections, and  
6 undisbursed child support.

7 (c) Establish performance standards for offices of the friend  
8 of the court and identify those offices not meeting the  
9 performance standards.

10 (d) Develop an undisbursed child support reduction team that  
11 assists offices of the friend of the court in using procedures,  
12 including electronic databases, to ensure more timely  
13 disbursement of child support.

14 (e) Develop a system of communication with each of the  
15 following entities, to ensure a more timely disbursement of child  
16 support:

17 (i) Internal revenue service.

18 (ii) Bureau of revenue of the department of treasury.

19 (iii) United States postal service.

20 (iv) Other agencies of the family independence agency.

21 (v) Social security administration.

22 (vi) Department of community health.

23 (vii) State friend of the court bureau in the state court  
24 administrative office.

25 (viii) Employers required to comply with withholding orders.

26 (ix) Interstate child support collection programs.

27 (f) Develop best practice procedures to address each of the

1 following that results in undisbursed child support:

2 (i) Voluntary payers.

3 (ii) Inability to locate custodial and noncustodial parents.

4 (iii) Future or advanced payers.

5 (iv) Closed cases.

6 (v) Interstate collections.

7 (vi) Tax intercepts.

8 (g) Develop a training program for offices of the friend of  
9 the court and the SDU on the best practice procedures developed  
10 under subdivision (f) and on their implementation, in order to  
11 reduce undisbursed child support.

12 (h) Establish performance standards to determine acceptable  
13 limits of undisbursed child support.

14 (i) Develop a payment history database of repeat unidentified  
15 payers.

16 (j) Promote the use of direct deposit by payees of child  
17 support.

18 (k) Provide, after 1 year after the effective date of this  
19 section, a report to the senate and house appropriations  
20 committees on the monthly undisbursed child support amounts and  
21 on the causes of and steps taken to reduce undisbursed child  
22 support.

23 (2) This section is repealed 3 years after its effective  
24 date.

25 Enacting section 1. This amendatory act does not take  
26 effect unless all of the following bills of the 92nd Legislature  
27 are enacted into law:

1 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 4634  
2 (request no. 00629'03).

3 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 4636  
4 (request no. 00631'03).