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House Bill 5504 (Substitute H-1 as passed by the House)

Sponsor: Representative Jimmy Womack

House Committee: Families and Children's Services Senate Committee: Families and Human Services

Date Completed: 12-9-09

CONTENT

The bill would amend the Revised Judicature Act (RJA) to do the following:

- -- Delete a requirement that \$10 of the fees paid in custody, support, and parenting time cases be deposited in the Child Support Bench Warrant Enforcement Fund.
- -- Increase from \$1.50 to \$3.50 the monthly fee for services that are not reimbursable under Title IV-D of the Social Security Act, and allocate the additional \$2 to the county general fund.

The bill is tie-barred to Senate Bills 105, 106, and 107. (Those bills would amend the divorce Act, the Paternity Act, and the Family Support Act, respectively. In addition to making other changes, each bill would delete or repeal provisions under which a person ordered to pay support must pay a monthly fee of \$2, which is credited to the county general fund.)

Allocation of Fees

Under the RJA, before a final judgment or order is entered in an action in which the custody or parenting time of minor children is determined or modified, the party submitting the judgment or order must pay a fee of \$80. In an action in which the support of minor children is determined or modified, the party submitting the judgment or order must pay a fee of \$40.

At the end of each month, for each fee collected under those provisions, the court clerk must transfer \$10 to the State Treasurer for deposit in the Child Support Bench Warrant Enforcement Fund. The balance of the fees in custody and parenting time cases must be paid to the county treasurer and deposited into the Friend of the Court (FOC) fund, to be used to fund services that are not Title IV-D services. The balance of the fees in child support actions must be paid to the county treasurer and deposited into the FOC fund.

The bill would delete the requirement that \$10 be transferred to the State Treasurer for deposit in the Child Support Bench Warrant Enforcement Fund.

(Title IV-D of the Social Security Act deals with the enforcement of child support and parenting time orders, and provides money to states for those purposes.)

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Increased Service Fee

For services that are not reimbursable under Title IV-D of the Social Security Act, every person required to pay support or maintenance to be collected by the FOC must pay a fee of \$1.50 per month for each month or portion of a month that support or maintenance is required to be paid. The fee must be paid monthly, quarterly, or semiannually as required by the FOC. The bill would increase that fee to \$3.50.

Currently, the FOC or the State Disbursement Unit must transmit, for each fee, \$0.25 to the appropriate county treasurer for deposit into the county's general fund. The bill would increase that amount to \$2.25, to be used to fund the provision of services by the FOC that are not reimbursable under Title IV-D.

A court could hold a person in contempt if he or she failed or refused to pay a service fee ordered under these provisions.

MCL 600.2137 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The \$10 allocated to the Child Support Bench Warrant Enforcement Fund annually generates approximately \$360,000 to \$380,000. While up to 10% of the Fund may be used to administer the Fund, annual revenue has been allocated to counties. Eliminating the separate Child Support Bench Warrant Enforcement Fund allocation would streamline the collection of revenue and result in administrative savings.

The bill also would increase the monthly service fee from \$1.50 to \$3.50 and offset the elimination of the \$2 fee allocated to counties under the divorce Act, the Family Support Act, and the Paternity Act.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.