

HOUSE BILL No. 6301

September 17, 2002, Introduced by Rep. Wojno 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 sections 1, 3a, 4b, 6, 7, and 9 (MCL 400.231, 400.233a, 400.234b, 400.236, 400.237, and 400.239), section 1 as amended and sections 6, 7, and 9 as added by 1999 PA 161 and section 3a as amended and section 4b as added by 1998 PA 112.

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.

1 (vi) A savings account.

2 (vii) A time savings account.

3 (viii) A mutual fund account.

4 (ix) A securities brokerage account.

5 (x) A money market account.

6 (xi) A retail investment account.

7 (b) "Account" does not mean any of the following:

8 (i) A trust.

9 (ii) An annuity.

10 (iii) A qualified individual retirement account.

11 (iv) An account covered by the employee retirement income
12 security act of 1974, Public Law 93-406, 88 Stat. 829.

13 (v) A pension or retirement plan.

14 (vi) An insurance policy.

15 (c) "Address" means the primary address shown on the records
16 of a financial institution used by the financial institution to
17 contact an account holder.

18 (d) "Adult responsible for the child" means a parent, rela-
19 tive who has physically cared for the child, putative father, or
20 current or former guardian of a child, including an emancipated
21 or adult child.

22 (e) "Current employment" means employment within 1 year
23 before a friend of the ~~court~~ CHILD request for information.

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

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

- 1 (h) "Financial institution" means any of the following:
- 2 (i) A state or national bank.
- 3 (ii) A state or federally chartered savings and loan
4 association.
- 5 (iii) A state or federally chartered savings bank.
- 6 (iv) A state or federally chartered credit union.
- 7 (v) An insurance company.
- 8 (vi) An entity that offers any of the following to a resi-
9 dent of this state:
- 10 (A) A mutual fund account.
- 11 (B) A securities brokerage account.
- 12 (C) A money market account.
- 13 (D) A retail investment account.
- 14 (vii) An entity regulated by the securities and exchange
15 commission that collects funds from the public.
- 16 (viii) An entity that is a member of the national associa-
17 tion of securities dealers and that collects funds from the
18 public.
- 19 (ix) An entity that collects funds from the public.
- 20 (i) "Office" means the office of child support.
- 21 (j) "Payer", "recipient of support", "source of income", and
22 "support" mean those terms as defined in section 2 of the support
23 and parenting time enforcement act, 1982 PA 295, MCL 552.602.
- 24 (k) "State disbursement unit" or "SDU" means the entity
25 established in section 6 for centralized state receipt and dis-
26bursement of support and fees.

1 Sec. 3a. (1) Upon receipt of a request from the office of
2 the friend of the ~~court~~ CHILD under section 24 of the support
3 and parenting time enforcement act, 1982 PA 295, MCL 552.624, the
4 office of child support shall initiate offset proceedings against
5 the state tax refunds and federal income tax refunds of a parent
6 who is obligated to support a child and who owes past due
7 support.

8 (2) The office shall send to a parent who is the subject of
9 a request under subsection (1) advance written notice of the pro-
10 posed offset. The notice shall inform the parent of the opportu-
11 nity to contest the offset of his or her state income tax refund
12 on the grounds that the offset is not proper because of a mistake
13 of fact concerning the amount of overdue support or the identity
14 of the parent.

15 (3) The office shall provide for the prompt reimbursement of
16 an amount withheld in error or an amount found to exceed the
17 amount of overdue support.

18 Sec. 4b. (1) A financial institution incurs no obligation
19 or liability to a depositor, account holder, or other person or
20 entity arising from the furnishing of a report or information to
21 the office, to an office agent or representative, or to the fed-
22 eral government or its designee under this act or from the fail-
23 ure to disclose to a depositor, account holder, or other person
24 that the name of a person was included in the report or informa-
25 tion provided.

1 (2) A financial institution incurs no obligation or
2 liability to the office or another person or entity for an error
3 or omission made in good faith compliance with this act.

4 (3) A financial institution incurs no obligation or liabil-
5 ity for blocking, freezing, placing a hold upon, surrendering, or
6 otherwise dealing with a person's or entity's financial assets in
7 response to a lien imposed or information provided ~~pursuant to~~
8 UNDER this act.

9 (4) A financial institution is not obligated to block,
10 freeze, place a hold upon, surrender, or otherwise deal with a
11 person's or entity's financial assets until served with and
12 having a reasonable opportunity to act upon a subpoena, summons,
13 warrant, court order, administrative order, lien, or levy served
14 upon the financial institution in accordance with the laws of
15 this state. A financial institution that surrenders financial
16 assets to the friend of the ~~court~~ CHILD in response to a lien
17 imposed under state law is discharged from any obligation or
18 liability to the depositor, account holder, or other person or
19 entity related to the financial assets that are surrendered to
20 the friend of the ~~court~~ CHILD.

21 (5) A financial institution that surrenders financial assets
22 to the friend of the ~~court~~ CHILD may assess the account holder
23 a service charge not to exceed 10% of the amount surrendered to
24 the friend of the ~~court~~ CHILD. The service charge shall be in
25 addition to any other fee or charge authorized by this act or
26 otherwise not prohibited by law.

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

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

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

19 Sec. 7. (1) The department shall develop a schedule for the
20 transition from receipt and disbursement of support and fees by
21 offices of the friend of the ~~court~~ CHILD to centralized receipt
22 and disbursement by the state disbursement unit. The schedule
23 may provide for the transition to take place in stages so that,
24 during the transition period, the SDU is responsible for the
25 receipt and disbursement of the support and fee payments of less
26 than all the payers and recipients of support whose cases are
27 administered by a particular office of the friend of the ~~court~~

1 CHILD. In developing the schedule, the department shall consult
2 with other state agencies and with local agencies.

3 (2) In accordance with section 9 of the friend of the
4 ~~court~~ CHILD act, 1982 PA 294, MCL 552.509, and the transition
5 schedule developed under subsection (1), SDU receipt and dis-
6 bursement applies to the case of a payer or recipient of support
7 starting on the date specified in a notification to the office of
8 the friend of the ~~court~~ CHILD, which administers the case, that
9 the SDU is prepared to receive and disburse support and fees for
10 the case or for a class of cases to which the case belongs. As
11 of the date that SDU receipt and disbursement of support and fees
12 applies to a particular support order, a provision in the order
13 directing support and fees to be paid to an office of the friend
14 of the ~~court~~ CHILD shall be considered to direct the payments
15 to the SDU.

16 Sec. 9. The department, the SDU, and each office of the
17 friend of the ~~court~~ CHILD shall cooperate in the transition to
18 the centralized receipt and disbursement of support and fees. An
19 office of the friend of the ~~court~~ CHILD shall continue to
20 receive and disburse support and fees through the transition,
21 based on the schedule developed as required by section ~~6~~ 7, and
22 modifications to that schedule as the department considers
23 necessary.

24 Enacting section 1. This amendatory act does not take
25 effect unless Senate Bill No. _____ or House Bill No. 6317
26 (request no. 07684'02) of the 91st Legislature is enacted into
27 law.