

HOUSE BILL No. 4636

May 6, 2003, Introduced by Reps. Murphy, Accavitti, Clack, 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 provide for support of children whose parents fail to comply with court-ordered child support; and to prescribe the powers and duties of certain state departments, officers, and employees in the distribution of undisbursed child support.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act shall be known and may be cited as the
2 "child support assurance project act".

3 (2) As used in this act:

4 (a) "Children's trustee" means the position established in
5 section 2a of the uniform unclaimed property act, 1995 PA 29, MCL
6 567.222a.

7 (b) "Court" means the circuit court.

8 (c) "CSAP" or "child support assurance project" means the
9 program for distributing undisbursed child support prescribed by
10 this act.

1 (d) "CSAP payment" or "child support assurance project
2 payment" means money distributed to a payee under the child
3 support assurance project.

4 (e) "Department" means the family independence agency.

5 (f) "Eligible child" means a child eligible for CSAP
6 payments.

7 (g) "Eligible custodian" means a child's custodian who is
8 eligible to receive CSAP payments on behalf of an eligible
9 child.

10 (h) "Federal poverty guidelines" means the poverty guidelines
11 published annually in the federal register by the United States
12 department of health and human services under its authority to
13 revise the poverty line under section 673(2) of subtitle B of
14 title VI of the omnibus budget reconciliation act of 1981, Public
15 Law 97-35, 42 U.S.C. 9902.

16 (i) "Friend of the court" means the individual serving under
17 section 21, or appointed under section 23, of the friend of the
18 court act, 1982 PA 294, MCL 552.521 and 552.523, as the head of
19 the office of the friend of the court.

20 (j) "Fund" means the undisbursed child support fund
21 established in section 24 of the uniform unclaimed property act,
22 1995 PA 29, MCL 567.244.

23 (k) "Intangible property" means that term as defined in
24 section 2 of the uniform unclaimed property act, 1995 PA 29, MCL
25 567.222.

26 (l) "Office of the friend of the court" or "office" means an
27 agency created by section 3 of the friend of the court act, 1982

1 PA 294, MCL 552.503.

2 (m) "Payer" means an individual who is obligated to pay child
3 support under a court order.

4 (n) "Payee" means the individual who receives, on behalf of
5 the child, child support paid under a court order.

6 (o) "Period of nonsupport" means the period of time during
7 which a child receives none of the child support ordered to be
8 paid under court order.

9 (p) "Undisbursed child support" means money paid as child
10 support to the friend of the court or the state disbursement unit
11 that is reportable and payable to the children's trustee under
12 the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to
13 567.265.

14 Sec. 2. (1) The children's trustee, in cooperation with the
15 department and friends of the court, shall establish and
16 administer the child support assurance project as prescribed by
17 this act. The child support assurance project shall be conducted
18 fairly and efficiently so as to fulfill its purpose of preventing
19 children who live in single-parent households and who are
20 dependent on court-ordered child support payments from living in,
21 and being subjected to the devastating effects of, poverty.

22 (2) Before February 1 of each year, the children's trustee
23 shall report to the legislature the amount of money in the fund
24 and the number of eligible children with eligible custodians as
25 of January 1 of that year. During a fiscal year in which the
26 legislature specifies the amount of a monthly CSAP payment, the
27 children's trustee shall distribute monthly CSAP payments to each

1 eligible child through that child's eligible custodian.

2 Sec. 3. (1) A child who meets the following criteria is an
3 eligible child:

4 (a) Is a resident of and is physically present in Michigan.

5 (b) Either is younger than age 18 or, for the time the child
6 is regularly attending high school on a full-time basis with a
7 reasonable expectation of completing sufficient credits to
8 graduate from high school while residing on a full-time basis
9 with an eligible custodian, is older than age 17, but younger
10 than age 19 years and 6 months.

11 (c) Has not received a court-ordered child support payment
12 within the 6 months before applying. The department shall exempt
13 a child from this criterion if the child or child's custodian has
14 a reasonable fear that bringing an action for child support would
15 result in an increased risk of physical or psychological violence
16 to the child or custodian.

17 (d) Has an employed eligible custodian or an unemployed,
18 disabled eligible custodian.

19 (2) An individual with whom an eligible child resides and who
20 meets the following criteria is an eligible custodian:

21 (a) Is a parent, guardian, or other legal custodian of the
22 eligible child. A putative father must establish paternity to
23 meet this criterion.

24 (b) Is the payee on behalf of the eligible child under a
25 child support order. The department shall exempt a custodian
26 from this criterion if the custodian has a reasonable fear that
27 bringing an action for child support would result in an increased

1 risk of physical or psychological violence to the eligible child
2 or custodian.

3 (c) If receiving financial assistance under the social
4 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, assigns to the
5 department the right to collect child support arrearages and
6 payments.

7 (d) Is employed or, if unemployed, is disabled under the
8 standards for disability the department sets for the CSAP.

9 (e) Has household income equal to or less than 200% of the
10 federal poverty guidelines.

11 (f) Is cooperating with the office of child support in its
12 attempt to collect the child support due to the eligible child
13 under the child support order. The department shall exempt a
14 custodian from this criterion if the custodian has a reasonable
15 fear that attempting to establish paternity or enforce an
16 existing child support order would result in an increased risk of
17 physical or psychological violence to the eligible child or
18 custodian.

19 (g) Child support under the child support order remains
20 unpaid.

21 (3) To receive CSAP payments, an eligible custodian shall
22 apply to the department under the procedure established by the
23 department, supplying information and documentation the
24 department requires to show that the custodian and child each
25 meet the eligibility criteria prescribed in this section.

26 Sec. 4. (1) The state shall hold the money in the fund in
27 trust for eligible children. Money held in the fund is not state

1 property. To the extent possible, the children's trustee shall
2 invest fund money in the same manner and under the same
3 restrictions that apply to the investment of state money under
4 1855 PA 105, MCL 21.141 to 21.147.

5 (2) The legislature shall appropriate money from the fund
6 only to the children's trustee for distribution as CSAP
7 payments. The children's trustee shall not distribute an
8 appropriation under this section unless the legislature specifies
9 in the act making the appropriation the monthly CSAP payment
10 amount. The department of treasury shall issue CSAP payments as
11 the children's trustee directs.

12 Sec. 5. (1) In cooperating with the children's trustee in
13 the implementation of the CSAP, the department shall do all of
14 the following:

15 (a) Design a simple application form and procedure for
16 certifying eligible children and eligible custodians, including
17 information and documents required to show eligibility.

18 (b) Extensively publicize the CSAP through offices of the
19 friend of the court and the office of child support, making
20 application forms and instructions available through those
21 offices.

22 (c) Refer information on eligible applicants to the office of
23 child support for confirmation and enforcement action.

24 (d) Transmit the names and addresses of, and other relevant
25 information about, eligible children, eligible custodians, and
26 child support payers to the children's trustee.

27 (2) In cooperating with the children's trustee in the

1 implementation of the CSAP, each friend of the court and office
2 of the friend of the court shall do all of the following:

3 (a) Forward in a timely manner undisbursed child support as
4 required by the uniform unclaimed property act, 1995 PA 29, MCL
5 567.221 to 567.265.

6 (b) Accept and forward applications for the CSAP.

7 (c) Cooperate with the children's trustee and the department
8 in sharing records and information necessary for the
9 administration of the CSAP.

10 (d) Give priority to actions to establish child support
11 orders for those children and custodians who wish to apply and
12 would likely be eligible for CSAP payments.

13 (e) Before February 1 regarding the last 6 months of the
14 previous calendar year and before August 1 regarding the first 6
15 months of the current calendar year, report to the appropriations
16 committees of the senate and house of representatives all of the
17 following:

18 (i) The number of CSAP applications received and forwarded to
19 the department.

20 (ii) The number of children who did not receive court ordered
21 child support during the 6-month period.

22 (iii) The amount of undisbursed child support divided into
23 categories based on the reason that the child support was not
24 disbursed.

25 (iv) Methods used to locate and contact child support payers,
26 such as agencies contacted and locator services utilized.

27 (v) Recommendations for reducing the amount of undisbursed

1 child support.

2 Sec. 6. (1) Before February 1 regarding the last 6 months
3 of the previous calendar year and before August 1 regarding the
4 first 6 months of the current calendar year, the department of
5 treasury shall report to the appropriations committees of the
6 senate and house of representatives all of the following:

7 (a) The balance remaining in the fund as of January 1 and
8 July 1, respectively.

9 (b) The number of eligible children to whom CSAP payments
10 were made.

11 (c) The number of CSAP payments returned and the reasons for
12 the returns.

13 (d) Total undisbursed child support received from friends of
14 the court, divided into categories based on the reason that the
15 child support was not disbursed.

16 (2) Before February 1 regarding the last 6 months of the
17 previous calendar year and before August 1 regarding the first 6
18 months of the current calendar year, the state disbursement unit
19 established in section 6 of the office of child support act, 1971
20 PA 174, MCL 400.236, shall report to the appropriations
21 committees of the senate and house of representatives the amount
22 of undisbursed child support, divided into categories based on
23 the reason that the child support was not disbursed, and the
24 amount of undisbursed child support remitted to each friend of
25 the court.

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

1 into law:

2 (a) Senate Bill No. _____ or House Bill No. 4634 (request
3 no. 00629'03).

4 (b) Senate Bill No. _____ or House Bill No. 4635 (request
5 no. 00632'03).