

MICHIGAN CHILD SUPPORT PROGRAM LEADERSHIP

1

**Child Support
Legislative Package
2013 - 2014**

Compassion. Protection. Independence.

Child Support Legislative Package: Overview and Goals

2

Proposals to:

- **Improve efficiency**
- **Save costs**
- **Enhance revenue**
- **Confront underground economy (UE)**
- **Increase technology use**
- **Correct technical language**

Bill Summary Table

3

SB No.	Sponsor	Topic	Amended Statutes
SB 520	Emmons	Criminal Nonsupport	Michigan Penal Code
SB 521	Emmons	Pay or Stay, Subpoenas & Show Cause, Bench Warrant Change, Spousal Support Enf. Costs	SPTEA
SB 522	Caswell	Repeal \$2 Fee	RURESA
SB 523	Nofs	Bank Data Matching & IRA	SPTEA
SB 524	Nofs	Bank Data Matching & IRA	RJA
SB 525	Nofs	Bank Data Matching & IRA	OCS Act
SB 526	Caswell	Support for 3 rd Party Caregivers, Assignment of Support Priority Over Redirection	SPTEA
SB 527	Caswell	Immediate Judgment Fees	RJA
SB 528	Nofs	Lottery Winnings to MiSDU	Lottery Act
SB 529	Caswell	Allocation and Distribution	OCS Act
SB 530	Caswell	Alternative Dispute Resolution, FOC Attorney, Grievance Reports, Duties of FOC, Credit Reporting	FOCA

SB 520 Overview

4

SB 520 includes the following proposals:

- **Court will order restitution to the victim under the felony nonsupport order as required under the original support order.**
- **Amend notice provision.**

SB 520: Restitution Provision

5

Clarify restitution provisions of felony nonsupport orders to harmonize with child support collection by not including a separate award for child support debt but directing the payer to pay in accordance with the child support order.

Why?

Avoids the disconnect between “restitution orders” and “child support orders,” misdirected and unrecorded payments, and decreases parent confusion.

UE Recommendation	Harmonize state felony nonsupport and restitution statutes.
-------------------	---

SB 520: Expand Notice Provision

6

Allow prosecution of felony nonsupport when it can be demonstrated that the support payer received actual notice or was aware of the underlying support case.

Why?

To allow prosecution even if the payer was not personally served but was aware of the obligation.

UE
Recommendation

Allow prosecution of felony nonsupport when the payer was not personally served in the underlying support case.

SB 521 Overview

7

SB 521 includes the following proposals:

- **Pay or Stay orders**
- **Subpoenas & Show Cause**
- **Bench Warrants**
- **Spousal Support Enforcement Costs**
- **Reorganize: Clarify, Reduce Redundancy, Equalize Parenting Time & Monetary Enf.**

SB 521: Pay or Stay

8

- Specifically defines a judge's authority under the SPTEA to issue "pay or stay" jail terms for civil contempt.
- On the basis of one order the obligor can be reincarcerated whenever (s)he fails to follow the terms of order requiring the obligor to pay specific amounts on specific days.

SB 521: Pay or Stay cont.

9

Why?

- Saves court time: an order with recurring payment/incarceration terms.
- Confronts obligors with unreported income: make regular payments to avoid incarceration.

UE Recommendation

Confirm and define judges' authority to enter "Pay or Stay" orders.

SB 521: Subpoenas and Show Cause

Authorize a Friend of the Court (FOC) to issue subpoenas required to carry out statutory and court rule duties. Also permit, pursuant to standards established by the State Court Administrative Office (SCAO), the FOC to issue orders to show cause/ notices to appear under the SPTEA with the same force and effect as that of a judicial signature.

SB 521: Subpoenas and Show Cause cont.

11

Why?

This provision will help facilitate more efficient use of court resources.

SB 521: Bench Warrants

12

Provide specific authority permitting the FOC to accept the voluntary surrender of an SPTEA bench warrant respondent to do one of the following:

- Accept and process the bond authorized by the court and set an appearance date before the court; or
- Take the person immediately before the court that issued the warrant.

SB 521: Bench Warrants cont.

13

Why?

- **This provision will help facilitate more efficient use of court resources.**
- **Introduce new resolution option to obligors with bench warrants.**

SB 521: Spousal Support Enforcement Costs

14

Implement a user-pay system of funding spousal support-only enforcement and case management when the FOC handles the case.

Why?

Federal funding is not available.

Decrease county cost of enforcing and managing spousal support cases.

SB 522: Repeal \$2 Fee

15

Repeal \$2 fee in the Revised Uniform Reciprocal Enforcement of Support Act (RURESA).

Why?

This fee was removed from other statutes during the 2009 passage of several bills advocated by the FOC Association.

SB 523, 524 and 525

Financial Institution Data Matching & IRA

16

- Include an individual retirement account (IRA) in the definition of “account” and other technical changes **(SB 523)**
- Amend the Revised Judicature Act to allow child support lien & levy against IRAs (delete exemption that currently exists). **(SB 524)**
- Amend definition of “account” to include an IRA and other technical changes. **(SB 525)**

SB 523, 524, and 525 FIDM & IRA cont.

17

Why?

- To increase collections.
- To avoid current cumbersome process.
- To ensure parents financial support their children before their retirement.

SB 526 Overview

18

SB 526 includes the following proposals:

- **Support for third-party caregivers.**
- **Assignment of support/redirection priorities.**

SB 526: Support for 3rd Party Caregivers

19

Allows FOCs to redirect child support to a relative or other caregiver when a child is placed out of home with that individual, regardless of the caregiver's legal responsibility for the child.

Why?

- This bill ensures that the person providing care to the child receives the child support.
- Avoids the sometimes daunting task for grandparents to obtain “legal responsibility.”

SB 526: Assignment of Support/Redirection Priorities

20

Place county- and state-funded foster care on equal playing field in the area of prioritization through assignment of support.

Why?

Technical correction from prior bill package.

SB 527: Immediate Judgment Fees

21

Amend the Revised Judicature Act to clarify language regarding payment of fees for actions involving child custody, support, or parenting time.

Why?

- Simplify language to avoid confusion or misinterpretation.
- Ensure payment of court at time of filing of the action/request.

SB 528: Lottery Winnings to MiSDU

22

Ensures the Lottery Bureau and Treasury handle all lottery withholdings for state debt and child support in the same manner.

Why?

- Codifies current practice.
- Avoids the appearance of a two-step process in child support disbursement.

SB 529: Allocation and Distribution

23

Amend the Office of Child Support Act to give the allocation and distribution determination authority to the Office of Child Support (OCS) instead of the SCAO.

Why?

- Historically, SCAO determined because payments processed by FOCs. Today, payments processed through MiCSES (overseen by OCS).
- Distribution is primarily driven by federal IV-D law.

SB 530 Overview

24

- **Alternative Dispute Resolution**
- **FOC Attorney**
- **Grievance Reports**
- **Duties of the FOC Office**
- **Credit Reporting**

SB 530: Alternative Dispute Resolution

25

Clarify the correct locations and uses of “alternative dispute resolution” and “domestic mediation” in order to reflect the intentions of the original drafters.

Why?

This provision is mostly technical in nature but is needed to provide the statutory authority for day-to-day operational needs.

SB 530: FOC Attorney

26

To ensure that an attorney appointed to assist the FOC directors, in offices where the director is a non-attorney, is compensated properly pursuant to the Friend of the Court Act.

Why?

This provision is mostly technical in nature but is needed to provide the statutory authority for day-to-day operational needs.

SB 530: Grievance Reports

27

Requires that grievance reports be submitted to SCAO annually as opposed to semi-annually.

Removes the requirement that local FOC offices provide the SCAO statistical report of statewide grievances because the grievance report is available on the SCAO website.

SB 530: Grievance Reports cont.

28

Why?

- Simplify reporting.
- Save time.
- Use technical options.

SB 530: Duties of the FOC Office

29

To properly reflect the duties of the FOC regarding support payments; transition to the state disbursement unit; providing statements of accounts to parties; and initiating and carrying out proceedings to enforce orders entered in domestic relations matters.

Why?

- Correct technical inaccuracies in the law.
- Reflect the transition to the Michigan State Disbursement Unit (MiSDU).

SB 530: Credit Reporting

30

Grant OCS the responsibility for determining the data reporting requirements for credit reporting instead of SCAO.

Why?

- Implements existing operational approach.
- OCS, not SCAO, maintains the automated system that communicates with credit reporting agencies.
- Federal law mandates that the state IV-D program office issue policy regarding credit reporting.