FEE ADDED TO CHILD SUPPORT

House Legislative Analysis Section

Olds Plaza Building, 10th Floor Lansing, Michigan 48909 Phone: 517/373-6466 House Bills 5028 and 5045 Sponsor: Rep. Willis Bullard, Jr. Committee: Judiciary & Civil Rights

Complete to 9-22-95

A SUMMARY OF HOUSE BILLS 5028 AND 5045 AS INTRODUCED 9-12-95 AND 9-14-95

<u>House Bill 5028</u> and <u>House Bill 5045</u> would amend the Support and Visitation Act and the Friend of the Court Act, respectively. The bills would modify the provisions of Public Act 145 of 1995, which requires a fee on overdue child support payments. The bills would rename the fee, calling it a "surcharge", and would include the surcharge in the Friend of the Court Act's definition of support.

Under Public Act 145 of 1995 (enrolled House Bill 4498), the friend of the court (FOC) is required to add a fee of eight percent to past due child or spousal support payments. This fee is calculated biannually and added to the accrued support arrearage on January 1 and July 1 of each year. Support amounts which are ordered by the court under the Paternity Act but are incurred before the effective date of the court's order are not be subject to this fee.

The new law also requires that when the FOC receives any payment of support, that payment is to be applied first to the current monthly support, and then to the support arrearage, including any fees accumulated under the new law. When determining whether a fee should be charged or calculating the amount of the fee, a support payment is not considered paid until it is actually received by the FOC.

<u>House Bill 5028</u> would amend the language of the new law (contained in the Support and Visitation Act, MCL 552.602 et al.) by changing the term used to identify the sum of money added for overdue support. The bill's language is identical to that of House Bill 4498 except that it identifies the money added for overdue support as a "surcharge" rather than a fee.

House Bill 5045, which is tie-barred to House Bill 5028, would amend the Friend of the Court Act (MCL 552.531) by amending the act's definition of support. The bill would include the surcharge accumulated for overdue support in the Friend of the Court Act's definition of support.