



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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House Bill 4498 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative Willis Bullard, Jr.

House Committee: Judiciary and Civil Rights

Senate Committee: Judiciary

### **CONTENT**

The bill would amend the Support and Visitation Enforcement Act to require that additional support of 8% be added to past due support payments. The additional support would have to be calculated and added to the accrued support arrearage on January 1 and July 1 of each year. A support amount ordered by the court under the Paternity Act for the time period to the date of the support order would not be subject to additional support under the bill. When the Friend of the Court (FOC) received any money as a payment of support, the money would have to be applied first to the current support, and then to any support arrearage, including additional support accumulated under the bill.

The bill also would require that an order of income withholding issued under the Support and Visitation Enforcement Act, if the source of income were an employer, provide that the employer could withhold and retain from income due the support payer, up to \$6 for the expense of implementation. The order or a modification of the order would have to provide that an employer could withhold up to an additional \$6 each time the employer implemented a modification of a previously implemented order of income withholding.

The provisions of the bill dealing with additional support for past due payments would take effect on January 1, 1996, and would apply to an arrearage due, or that became due, on and after that date. The provisions dealing with income withholding are tie-barred to House Bill 4858 and would take effect on that bill's effective date. (House Bill 4858 would amend the revenue Act to require employers to report to the Department of Treasury certain information about new employees.)

MCL 552.602 et al.

Legislative Analyst: P. Affholter

### **FISCAL IMPACT**

The bill could have a fiscal impact, depending upon the level of collections and the percentage that is past due. The Department of Social Services FY 1994-95 appropriation contains \$188,000,000 in child support collection revenue; the projected total for FY 1995-96 collections is \$170,000,000. In 1985, approximately 47% of that was assumed to be past due. Therefore, if applied to the amount projected for FY 1995-96, approximately \$80,000,000 of the projected amount could be assumed arrearages due. Collecting additional support of 8% would produce an additional amount of approximately \$6,400,000, which could be used as additional Department revenue.

Date Completed: 6-7-95

Fiscal Analyst: C. Cole

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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.