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CHILDREN'S TRUSTEE FOR UNDISBURSED CHILD SUPPORT

House Bill 4918

Sponsor: Rep. Michael Murphy
Committee: Family and Children
Services

Complete to 2-15-02

A SUMMARY OF HOUSE BILL 4918 AS INTRODUCED 6-6-01

House Bill 4918 would amend the Uniform Unclaimed Property Act. Specifically, the bill would create the position of the children's trustee within the Department of the Treasury. The children's trustee would be given the same duties and responsibilities with regard to undisbursed child support as the administrator of unclaimed property (the state treasurer), but would have additional responsibilities exclusive to his or her position. The children's trustee would be responsible for the control and proper distribution of any escheated undisbursed child support collections paid to the friend of the court or the state disbursement unit (SDU). The provision creating the children's trustee would be repealed three years after its effective date.

The bill would also expand the act's definition of "intangible property" to include any money paid as child support to the friend of the court or the SDU. Under the bill, any undisbursed child support that remains unclaimed by the owner for more than a year would be presumed abandoned, and would become subject to the state's custody.

Under current law, the administrator of unclaimed property is responsible for reports made by the holder of unclaimed property; publication of notices of unclaimed property; payments and deliveries of unclaimed property; defending the holder against a claim and indemnifying the holder against liability on the claim, if a holder of unclaimed property pays or delivers the unclaimed property in good faith and another person or state claims the property; and claims made for unclaimed property

Under the bill, each year, before February 1, the children's trustee would report to the House and Senate appropriations committees on the amount of undisbursed child support paid into the child support fund and the number of children who received money from the fund during the previous fiscal year, and would make recommendations for future distribution of money from the fund.

The bill would require the children's trustee to ensure that the holder of undisbursed child support reports the names of possible recipients of undisbursed child support. In addition, notices of unclaimed child support would include the names of any possible recipients of undisbursed child support and would be entitled, "notice of names of payees of undisbursed child support". The names of payees in the notice would include the custodial parent and each child for whom support has been paid.

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The children's trustee would also provide public service announcements on filing a claim for undisbursed child support, and would be required to search for any identifying information on the owners of undisbursed child support on the Family Independence Agency's electronic data systems. However, the electronic data source would not be released for databases containing confidential information.

The bill is tie-barred to two bills that have not yet been introduced.

[Note: The bill defines the undisbursed child support fund as the fund established in section 24. However, that section does not have any language specifically creating the fund.]

MCL 567.222 et al.

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.