

Legislative Analysis



DEDUCT SUPPORT AND OTHER DEBTS FROM COURT-ORDERED STATE PAYMENTS

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House Bill 5511

Sponsor: Rep. Michael D. McCready

Committee: Families, Children, and Seniors

Complete to 5-6-14

A SUMMARY OF HOUSE BILL 5511 AS INTRODUCED 5-1-14

The bill would amend the Revised Judicature Act (MCL 600.6458) to allow for deductions from payments to plaintiffs or claimants in cases where a judgment in the Court of Claims against the state has become final, or upon allowance of a claim by the State Administrative Board.

The bill specifies that deductions would be made by the State Treasurer from payments by the state if plaintiffs or claimants are indebted for child, spousal, or maternity support; an amount due the state or a subdivision of the state; or an amount due under a court order for restitution, fines, costs, fees, reimbursements, penalties, or assessments.

The term "support" is imported from the Friend of the Court Act, where it refers to (1) the payment of money for a child or a spouse ordered by the circuit court, including payment of the expenses of medical, dental, and other health care, child care expenses, and educational expenses; and (2) the payment of money ordered by the circuit court under the Paternity Act for the necessary expenses connected to the pregnancy of the mother or the birth of the child, or for the repayment of genetic testing expenses.

The bill applies to judgments and claims against the state, or a department, commission, board, institution, arm, or agency of the state.

Amounts not to be Deducted

Deductions could not be made for attorney fees; court costs and other litigation costs; the Medicaid program; medical services or a reimbursement for a payment made for medical services; other costs relate to the action or claim; vocational rehabilitation costs, reimbursements, or credits; or for Medicare set-aside accounts for future medical care or future Medicaid.

Order of Deductions

If the plaintiff or claimant has multiple obligations and if the judgment or claim is insufficient to satisfy the obligations in full, the State Treasurer would pay the obligations in the following order: first, to support; next, to any amount due under a court order; and next, pro rata to any remaining amounts due.

Claimant Information

Upon a judgment becoming final or on a claim being allowed and certified to the clerk of the Court of Claims, the plaintiff or claimant would be required to provide to the clerk any information required by the State Treasurer to identify the plaintiff or claimant, or each individual for whose benefit the action was brought or the claim was made, for purposes of implementing the deduction provisions. The State Treasurer would have to notify the clerk of the Court of Claims of the information needed from a plaintiff or claimant.

Notice by Mail and Request for Hearing

Under the bill, the State Treasurer would have to give a plaintiff or claimant notice by regular mail and an opportunity for a hearing before the Department of Treasury or its designee with respect to any indebtedness. The plaintiff or claimant may request a hearing before the department within 15 days after the date of the notice by making a written request to the State Treasurer.

Prohibited Disclosure of Identifying Information

The plaintiff or claimant would be required to provide to the clerk of the Court of Claims any required identifying information notwithstanding any order in an action that prohibits disclosure of the name of a plaintiff, claimant, or individual for whose benefit the action was brought or claim was made. If such a protective order exists, the clerk would be required to notify the State Treasurer when providing the names, and then the identifying information would exempt from disclosure under the Freedom of Information Act.

FISCAL IMPACT:

A fiscal analysis is in process.

Legislative Analyst: E. Best

■ 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.