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BILL ANALYSIS

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Senate Bill 1319 (as introduced 6-23-04)  
Sponsor: Senator Gerald Van Woerkom  
Committee: Families and Human Services

Date Completed: 6-29-04

### **CONTENT**

The bill would amend the Office of Child Support Act to require the State Disbursement Unit (SDU), beginning one year after the bill's effective date, to disburse child support electronically either to the recipient's account in a financial institution or to a special account that the recipient could gain access to by an electronic access card.

The bill would add an electronic access or debit card to the definition of "account". The term presently includes a demand deposit account, a draft account, a checking account, a negotiable order of withdrawal account, a share account, a savings account, a time savings account, a mutual fund account, a securities brokerage account, a money market account, and a retail investment account.

The SDU is the entity established under the Act for centralized State receipt and disbursement of support and fees. It is required to use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical to receive and disburse support and fees.

MCL 400.231 et al.

Legislative Analyst: Julie Koval

### **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the State. It appears that an increase in the number of financial accounts to which the SDU would disburse payments for recipient access would require technology programming changes for the SDU operation. These changes would result in some increased administrative costs. The department currently uses a debit card for recipient access to cash assistance payments. The creation of new or the use of existing debit cards for support payments could result in some increased administrative costs for programming changes.

Fiscal Analyst: Constance Cole

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