



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4658 (Substitute S-1 as reported)
Sponsor: Representative Michael D. McCready
House Committee: Families, Children, and Seniors
Senate Committee: Families, Seniors and Human Services

CONTENT

The bill would amend the Revised Judicature Act to require the director of a department to cause a judgment or claim against the department to be paid from its unencumbered appropriation, if that amount were sufficient for the payment.

The bill also would require certain liabilities (including tax, support, and restitution liabilities) to be deducted from payment made to a plaintiff or claimant as a result of a judgment against the State or a claim granted by the State Administrative Board. Specifically, the bill would do the following:

- Require the plaintiff or claimant to give the department certain identifying information, when a judgment became final or a claim was allowed.
- Require a department director to give the Department of Treasury the plaintiff's or claimant's identifying information when requesting payment of a judgment or claim.
- Require the Department of Treasury to determine whether a plaintiff or claimant had any outstanding liabilities described in the bill, and if so, apply the amount of the judgment or claim to those liabilities in a certain order of priority, before paying the plaintiff or claimant.

The bill would define "department" as a principal department, as that term is used in Article V of the State Constitution, against which a final judgment or allowable claim is rendered as provided in the bill, or a commission, board, institution, arm, or agency of the State that is located within a principal department against which a final judgment or allowable claim is rendered. "Director" would mean the head of the department or that person's designee.

The bill would take effect 90 days after its enactment or on January 31, 2016, whichever was later.

Proposed MCL 600.6096

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill could have a minor positive impact on State revenue and result in additional administrative costs to the Department of Treasury. Allowing liabilities to the State to be collected from judgments and claims payable by the State could increase State revenue. The amount of revenue collected would depend on individual cases. Depending on the number of judgments entered and claims approved annually, the Department would have additional administrative costs from collecting the required information and processing judicial and administrative claims. The bill would have no fiscal impact on local government.

Date Completed: 12-4-15

Fiscal Analyst: Cory Savino

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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.