SENATE BILL NO. 1178

September 10, 2026, Introduced by Senators SHINK, CHANG and BAYER and referred to Committee on Civil Rights, Judiciary, and Public Safety.

A bill to amend 1993 PA 316, entitled

"An act to provide for the collection of certain past due monetary amounts owed to courts of this state; and to prescribe the powers and duties of certain state and local officers and agencies,"

by amending the title and sections 1, 3, and 4 (MCL 12.131, 12.133, and 12.134), and by adding section 7a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to provide for the collection of certain ~~past due~~ monetary amounts owed to courts of this state; ~~and~~ to prescribe the powers and duties of certain state and local officers and agencies;

and to implement a collections pilot program.

Sec. 1. As used in this act:

(a) "Delinquent" means, except as provided in section 7a, due and owing to the court for 180 days or more.

(b) ~~(a)~~ "Department" means the department of treasury.

(c) ~~(b)~~ "Funding unit" means 1 of the following, as applicable:

(*i*) For a circuit other than the third circuit of the circuit court, each county in the circuit.

(*ii*) For the third circuit of the circuit court, ~~and for the recorder's court, the~~ **this** state.

(*iii*) For a district other than the thirty-sixth district of the district court, the district control unit of the district, as **that term is** defined in section 8104 of the revised judicature act of 1961, ~~Act No. 236 of the Public Acts of 1961, being section 600.8104 of the Michigan Compiled Laws.~~**1961 PA 236, MCL 600.8104.**

(*iv*) For the thirty-sixth district of the district court, ~~the~~ **this** state.

(*v*) For a municipal court, the political unit where the municipal court is located.

Sec. 3. An agreement entered into under this act ~~shall~~ **between the department, a court, and the court's funding unit must** provide for at least all of the following:

(a) Assignment to ~~the~~ **this** state for collection by the department of **delinquent** amounts, ~~that have been due and owing the court for not less than 180 days,~~ including, but not limited to, any or all of the following:

(*i*) Fees, including reinstatement fees.

(*ii*) Fines.

(*iii*) Forfeitures.

(*iv*) Penalties and costs assessed for criminal offenses, including the costs of prosecution and providing court-ordered legal assistance to the defendant.

(*v*) Penalties and costs assessed for civil infractions, civil violations, and parking violations.

(*vi*) Penalties and costs assessed for ordinance violations.

(*vii*) Forfeited recognizances.

(*viii*) Late penalties assessed ~~pursuant to~~ **under** section 4803 of the revised judicature act of 1961, ~~Act No. 236 of the Public Acts of 1961, being section 600.4803 of the Michigan Compiled Laws.~~**1961 PA 236, MCL 600.4803.**

(b) Provision of the information necessary for the department to identify, locate, and collect delinquent accounts.

(c) Accounting for, settlement of, and transmission to the court of money collected ~~pursuant to~~ **under** the agreement.

(d) Collection of a fee by the state treasurer to recoup costs associated with the collection services.

Sec. 4. A fee imposed by the department to recoup costs associated with the collection services provided under ~~this act shall~~ **section 3 must** be calculated and collected on the same basis as fees charged by the department to other state agencies for the same collection services.

Sec. 7a. (1) A collections pilot program is created in this state in accordance with provisions of this section. The collections pilot program begins on July 1, 2027 and lasts for a period of 1 year.

(2) Under the pilot program, a minimum of 3 courts together with the courts' funding units shall enter into an agreement with

the department as described in section 3, except that the agreement must provide for assignment of defaulted amounts to this state for collection by the department, in addition to delinquent amounts.

(3) The pilot courts must be as representative as possible of different jurisdictions, including size and location in this state. The pilot courts may include courts that have an existing agreement with the department under section 3.

(4) As part of the pilot program, all of the following apply:

(a) At the start of the pilot program, the pilot sites shall transfer all existing defaulted and delinquent amounts to the department for collection. The pilot sites shall transfer amounts to the department throughout the pilot program as they enter defaulted status.

(b) The department shall attempt collection of defaulted and delinquent amounts using its current methods and processes.

(c) During the pilot program period, the pilot sites shall not conduct any collections activities, including, but not limited to, sending notices, issuing bench warrants, suspending driver licenses for nonpayment, or processing garnishments.

(d) The department and the pilot sites, along with the state court administrative office, shall work together to ensure data integration, troubleshoot any issues, obtain feedback from pilot sites, and implement process changes as needed.

(5) Not later than 90 days after the end of the pilot program, the department shall submit a report to the legislature and the state court administrative office that includes all of the following information:

(a) The total cost to the department of collecting defaulted and delinquent amounts for the pilot courts, and the cost per

dollar collected.

(b) Total amounts collected in each status, percentage of total outstanding debt collected, timeliness of payments, and number of debts transferred from defaulted to delinquent status.

(c) Lessons learned and recommendations for implementation of a statewide centralized collections system.

(6) As used in this section:

(a) "Current" means due and owing to the court for not more than 59 days or in an active payment plan.

(b) "Defaulted" means due and owing to the court for at least 60 days but not more than 179 days and not in an active payment plan.

(c) "Delinquent" means due and owing to the court for 180 days or more and not in an active payment plan.

(d) "In an active payment plan" means an individual has done both of the following:

(*i*) Entered into an agreement with the court that requires the individual to pay a specific amount toward the individual's court debt at a specific installment time period.

(*ii*) Made every payment no later than the date it is due as required by an agreement under subparagraph (*i*).