

104TH CONGRESS
2^D SESSION

H. R. 3453

To provide for the more effective enforcement of child support orders.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1996

Mrs. ROUKEMA (for herself, Mr. POMEROY, and Mr. BLUTE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Banking and Financial Services, the Judiciary, National Security, Transportation and Infrastructure, International Relations, Economic and Educational Opportunities, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the more effective enforcement of child support orders.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Enforce-
5 ment Reform Amendments of 1996”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

- Sec. 101. State obligation to provide child support enforcement services.
- Sec. 102. Distribution of child support collections.
- Sec. 103. Privacy safeguards.
- Sec. 104. Rights to notification and hearings.

Subtitle B—Locate and Case Tracking

- Sec. 111. State case registry.
- Sec. 112. Collection and disbursement of support payments.
- Sec. 113. State directory of new hires.
- Sec. 114. Amendments concerning income withholding.
- Sec. 115. Locator information from interstate networks.
- Sec. 116. Expansion of the Federal parent locator service.
- Sec. 117. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 121. Adoption of uniform State laws.
- Sec. 122. Improvements to full faith and credit for child support orders.
- Sec. 123. Administrative enforcement in interstate cases.
- Sec. 124. Use of forms in interstate enforcement.
- Sec. 125. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

- Sec. 131. State laws concerning paternity establishment.
- Sec. 132. Outreach for voluntary paternity establishment.
- Sec. 133. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

- Sec. 141. Performance-based incentives and penalties.
- Sec. 142. Federal and State reviews and audits.
- Sec. 143. Required reporting procedures.
- Sec. 144. Automated data processing requirements.
- Sec. 145. Technical assistance.
- Sec. 146. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 151. Simplified process for review and adjustment of child support orders.
- Sec. 152. Furnishing consumer reports for certain purposes relating to child support.
- Sec. 153. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

- Sec. 161. Internal Revenue Service collection of arrearages.
- Sec. 162. Authority to collect support from Federal employees.

- Sec. 163. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 164. Voiding of fraudulent transfers.
- Sec. 165. Work requirement for persons owing past-due child support.
- Sec. 166. Definition of support order.
- Sec. 167. Reporting arrearages to credit bureaus.
- Sec. 168. Liens.
- Sec. 169. State law authorizing suspension of licenses.
- Sec. 170. Denial of passports for nonpayment of child support.
- Sec. 171. International child support enforcement.
- Sec. 172. Financial institution data matches.
- Sec. 173. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
- Sec. 174. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

- Sec. 176. Correction to ERISA definition of medical child support order.
- Sec. 177. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

- Sec. 181. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

- Sec. 191. Effective dates.

1 **SEC. 3. REFERENCE TO SOCIAL SECURITY ACT.**

2 Except as otherwise specifically provided, wherever in
 3 this Act an amendment is expressed in terms of an amend-
 4 ment to or repeal of a section or other provision, the ref-
 5 erence shall be considered to be made to that section or
 6 other provision of the Social Security Act.

7 **Subtitle A—Eligibility for Services;** 8 **Distribution of Payments**

9 **SEC. 101. STATE OBLIGATION TO PROVIDE CHILD SUPPORT** 10 **ENFORCEMENT SERVICES.**

11 (a) STATE PLAN REQUIREMENTS.—Section 454 (42
 12 U.S.C. 654) is amended—

1 (1) by striking paragraph (4) and inserting the
2 following new paragraph:

3 “(4) provide that the State will—

4 “(A) provide services relating to the estab-
5 lishment of paternity or the establishment,
6 modification, or enforcement of child support
7 obligations, as appropriate, under the plan with
8 respect to—

9 “(i) each child for whom (I) assist-
10 ance is provided under the State program
11 funded under part A of this title, (II) ben-
12 efits or services for foster care mainte-
13 nance and adoption assistance are provided
14 under the State program funded under
15 part E of this title, or (III) medical assist-
16 ance is provided under the State plan ap-
17 proved under title XIX, unless the State
18 agency administering the plan determines
19 (in accordance with paragraph (29)) that
20 it is against the best interests of the child
21 to do so; and

22 “(ii) any other child, if an individual
23 applies for such services with respect to
24 the child; and

1 “(B) enforce any support obligation estab-
2 lished with respect to—

3 “(i) a child with respect to whom the
4 State provides services under the plan; or

5 “(ii) the custodial parent of such a
6 child.”; and

7 (2) in paragraph (6)—

8 (A) by striking “provide that” and insert-
9 ing “provide that—”;

10 (B) by striking subparagraph (A) and in-
11 serting the following new subparagraph:

12 “(A) services under the plan shall be made
13 available to residents of other States on the
14 same terms as to residents of the State submit-
15 ting the plan;”;

16 (C) in subparagraph (B), by inserting “on
17 individuals not receiving assistance under any
18 State program funded under part A” after
19 “such services shall be imposed”;

20 (D) in each of subparagraphs (B), (C),
21 (D), and (E)—

22 (i) by indenting the subparagraph in
23 the same manner as, and aligning the left
24 margin of the subparagraph with the left

1 margin of, the matter inserted by subpara-
2 graph (B) of this paragraph; and

3 (ii) by striking the final comma and
4 inserting a semicolon; and

5 (E) in subparagraph (E), by indenting
6 each of clauses (i) and (ii) 2 additional ems.

7 (b) CONTINUATION OF SERVICES FOR FAMILIES
8 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
9 PROGRAM FUNDED UNDER PART A.—Section 454 (42
10 U.S.C. 654) is amended—

11 (1) by striking “and” at the end of paragraph
12 (23);

13 (2) by striking the period at the end of para-
14 graph (24) and inserting “; and”; and

15 (3) by adding after paragraph (24) the follow-
16 ing new paragraph:

17 “(25) provide that if a family with respect to
18 which services are provided under the plan ceases to
19 receive assistance under the State program funded
20 under part A, the State shall provide appropriate no-
21 tice to the family and continue to provide such serv-
22 ices, subject to the same conditions and on the same
23 basis as in the case of other individuals to whom
24 services are furnished under the plan, except that an
25 application or other request to continue services

1 shall not be required of such a family and paragraph
2 (6)(B) shall not apply to the family.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 452(b) (42 U.S.C. 652(b)) is
5 amended by striking “454(6)” and inserting
6 “454(4)”.

7 (2) Section 452(g)(2)(A) (42 U.S.C.
8 652(g)(2)(A)) is amended by striking “454(6)” each
9 place it appears and inserting “454(4)(A)(ii)”.

10 (3) Section 466(a)(3)(B) (42 U.S.C.
11 666(a)(3)(B)) is amended by striking “in the case of
12 overdue support which a State has agreed to collect
13 under section 454(6)” and inserting “in any other
14 case”.

15 (4) Section 466(e) (42 U.S.C. 666(e)) is
16 amended by striking “paragraph (4) or (6) of sec-
17 tion 454” and inserting “section 454(4)”.

18 **SEC. 102. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
19 **TIONS.**

20 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is
21 amended to read as follows:

22 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

23 “(a) IN GENERAL.—An amount collected on behalf
24 of a family as support by a State pursuant to a plan ap-
25 proved under this part shall be distributed as follows:

1 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
2 case of a family receiving assistance from the State,
3 the State shall—

4 “(A) in the case of an amount so collected
5 that is attributable to a payment that is due for
6 a month, distribute to the family a sum equal
7 to the amount (if any) by which \$50 exceeds
8 the total amount distributed to the family
9 under this subparagraph (or under section
10 457(b)(1), as in effect on the day before the
11 date of the enactment of the Child Support En-
12 forcement Reform Amendments of 1996) with
13 respect to the month;

14 “(B) pay to the Federal Government an
15 amount equal to—

16 “(i) the Federal share of the amount
17 so collected; minus

18 “(ii) the sum (if any) distributed to
19 the family pursuant to subparagraph (A)
20 from the amount so collected; and

21 “(C) retain, or distribute to the family, the
22 State share of the amount so collected.

23 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
24 SISTANCE.—In the case of a family that formerly re-
25 ceived assistance from the State:

1 “(A) CURRENT SUPPORT PAYMENTS.—To
2 the extent that the amount so collected does not
3 exceed the amount required to be paid to the
4 family for the month in which collected, the
5 State shall distribute the amount so collected to
6 the family.

7 “(B) PAYMENTS OF ARREARAGES.—To the
8 extent that the amount so collected exceeds the
9 amount required to be paid to the family for
10 the month in which collected, the State shall
11 distribute the amount so collected as follows:

12 “(i) DISTRIBUTION OF ARREARAGES
13 THAT ACCRUED AFTER THE FAMILY
14 CEASED TO RECEIVE ASSISTANCE.—

15 “(I) PRE-OCTOBER 1997.—The
16 provisions of this section (other than
17 subsection (b)(1)) as in effect and ap-
18 plied on the day before the date of the
19 enactment of the Child Support En-
20 forcement Reform Amendments of
21 1996 shall apply with respect to the
22 distribution of support arrearages
23 that—

1 “(aa) accrued after the fam-
2 ily ceased to receive assistance,
3 and

4 “(bb) are collected before
5 October 1, 1997.

6 “(II) POST-SEPTEMBER 1997.—
7 With respect the amount so collected
8 on or after October 1, 1997, or before
9 such date, at the option of the
10 State—

11 “(aa) IN GENERAL.—The
12 State shall first distribute the
13 amount so collected (other than
14 any amount described in clause
15 (iv)) to the family to the extent
16 necessary to satisfy any support
17 arrearages with respect to the
18 family that accrued after the
19 family ceased to receive assist-
20 ance from the State.

21 “(bb) REIMBURSEMENT OF
22 GOVERNMENTS FOR ASSISTANCE
23 PROVIDED TO THE FAMILY.—
24 After the application of division
25 (aa) and clause (ii)(II)(aa) with

1 respect to the amount so col-
2 lected, the State shall retain the
3 State share of the amount so col-
4 lected, and pay to the Federal
5 Government the Federal share
6 (as defined in subsection
7 (b)(2)(A)) of the amount so col-
8 lected, but only to the extent nec-
9 essary to reimburse amounts paid
10 to the family as assistance by the
11 State.

12 “(cc) DISTRIBUTION OF THE
13 REMAINDER TO THE FAMILY.—
14 To the extent that neither divi-
15 sion (aa) nor division (bb) applies
16 to the amount so collected, the
17 State shall distribute the amount
18 to the family.

19 “(ii) DISTRIBUTION OF ARREARAGES
20 THAT ACCRUED BEFORE THE FAMILY RE-
21 CEIVED ASSISTANCE.—

22 “(I) PRE-OCTOBER 2000.—The
23 provisions of this section (other than
24 subsection (b)(1)) as in effect and ap-
25 plied on the day before the date of the

1 enactment of the Child Support En-
2 forcement Reform Amendments of
3 1996 shall apply with respect to the
4 distribution of support arrearages
5 that—

6 “(aa) accrued before the
7 family received assistance, and

8 “(bb) are collected before
9 October 1, 2000.

10 “(II) POST-SEPTEMBER 2000.—

11 Unless, based on the report required
12 by paragraph (4), the Congress deter-
13 mines otherwise, with respect to the
14 amount so collected on or after Octo-
15 ber 1, 2000, or before such date, at
16 the option of the State—

17 “(aa) IN GENERAL.—The
18 State shall first distribute the
19 amount so collected (other than
20 any amount described in clause
21 (iv)) to the family to the extent
22 necessary to satisfy any support
23 arrearages with respect to the
24 family that accrued before the

1 family received assistance from
2 the State.

3 “(bb) REIMBURSEMENT OF
4 GOVERNMENTS FOR ASSISTANCE
5 PROVIDED TO THE FAMILY.—

6 After the application of clause
7 (i)(II)(aa) and division (aa) with
8 respect to the amount so col-
9 lected, the State shall retain the
10 State share of the amount so col-
11 lected, and pay to the Federal
12 Government the Federal share
13 (as defined in subsection (b)(2))
14 of the amount so collected, but
15 only to the extent necessary to
16 reimburse of the amounts paid to
17 the family as assistance by the
18 State.

19 “(cc) DISTRIBUTION OF THE
20 REMAINDER TO THE FAMILY.—

21 To the extent that neither divi-
22 sion (aa) nor division (bb) applies
23 to the amount so collected, the
24 State shall distribute the amount
25 to the family.

1 “(iii) DISTRIBUTION OF ARREARAGES
2 THAT ACCRUED WHILE THE FAMILY RE-
3 CEIVED ASSISTANCE.—In the case of a
4 family described in this subparagraph, the
5 provisions of paragraph (1) shall apply
6 with respect to the distribution of support
7 arrearages that accrued while the family
8 received assistance.

9 “(iv) AMOUNTS COLLECTED PURSU-
10 ANT TO SECTION 464.—Notwithstanding
11 any other provision of this section, any
12 amount of support collected pursuant to
13 section 464 shall be retained by the State
14 to the extent necessary to reimburse
15 amounts paid to the family as assistance
16 by the State. The State shall pay to the
17 Federal Government the Federal share of
18 the amounts so retained. To the extent the
19 amount collected pursuant to section 464
20 exceeds the amount so retained, the State
21 shall distribute the excess to the family.

22 “(v) ORDERING RULES FOR DISTRIBUTI-
23 ONS.—For purposes of this subpara-
24 graph, the State shall treat any support

1 arrearages collected as accruing in the fol-
2 lowing order:

3 “(I) to the period after the fam-
4 ily ceased to receive assistance;

5 “(II) to the period before the
6 family received assistance; and

7 “(III) to the period while the
8 family was receiving assistance.

9 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
10 ANCE.—In the case of any other family, the State
11 shall distribute the amount so collected to the fam-
12 ily.

13 “(4) STUDY AND REPORT.—Not later than Oc-
14 tober 1, 1998, the Secretary shall report to the Con-
15 gress the Secretary’s findings with respect to—

16 “(A) whether the distribution of post-as-
17 sistance arrearages to families has been effec-
18 tive in moving people off of welfare and keeping
19 them off of welfare;

20 “(B) whether early implementation of a
21 pre-assistance arrearage program by some
22 states has been effective in moving people off of
23 welfare and keeping them off of welfare;

24 “(C) what the overall impact has been of
25 the amendments made by the Child Support

1 Enforcement Reform Amendments of 1996 with
2 respect to child support enforcement in moving
3 people off of welfare and keeping them off of
4 welfare; and

5 “(D) based on the information and data
6 the Secretary has obtained, what changes, if
7 any, should be made in the policies related to
8 the distribution of child support arrearages.

9 “(b) DEFINITIONS.—As used in subsection (a):

10 “(1) ASSISTANCE.—The term ‘assistance from
11 the State’ means—

12 “(A) assistance under the State program
13 funded under part A; or

14 “(B) benefits under the State plan ap-
15 proved under part E.

16 “(2) FEDERAL SHARE.—The term ‘Federal
17 share’ means that portion of the amount collected
18 resulting from the application of the Federal medical
19 percentage in effect for the fiscal year in which the
20 amount is collected.

21 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
22 AGE.—The term ‘Federal medical assistance per-
23 centage’ means—

24 “(A) the Federal medical assistance per-
25 centage (as defined in section 1118), in the case

1 of Puerto Rico, the Virgin Islands, Guam, and
2 American Samoa; or

3 “(B) the Federal medical assistance per-
4 centage (as defined in section 1905(b)) in the
5 case of any other State.

6 “(4) STATE SHARE.—The term ‘State share’
7 means 100 percent minus the Federal share.

8 “(c) HOLD HARMLESS PROVISION.—If the amounts
9 collected which could be retained by the State in the fiscal
10 year (to the extent necessary to reimburse the State for
11 amounts paid to families as assistance by the State) are
12 less than the State share of the amounts collected in fiscal
13 year 1995 (determined in accordance with section 457 as
14 in effect on the day before the date of the enactment of
15 the Child Support Enforcement Reform Amendments of
16 1996), the State share for the fiscal year shall be an
17 amount equal to the State share in fiscal year 1995.”

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is
20 amended by striking “section 457(b)(4) or (d)(3)”
21 and inserting “section 457”.

22 (2) Section 454 (42 U.S.C. 654) is amended—

23 (A) in paragraph (11)—

24 (i) by striking “(11)” and inserting
25 “(11)(A)”; and

1 (ii) by inserting after the semicolon
2 “and”; and
3 (B) by redesignating paragraph (12) as
4 subparagraph (B) of paragraph (11).

5 (c) EFFECTIVE DATES.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the amendments made by this section
8 shall be effective on October 1, 1996, or earlier at
9 the State’s option.

10 (2) CONFORMING AMENDMENTS.—The amend-
11 ments made by subsection (b)(2) shall become effec-
12 tive on the date of the enactment of this Act.

13 **SEC. 103. PRIVACY SAFEGUARDS.**

14 (a) STATE PLAN REQUIREMENT.—Section 454 (42
15 U.S.C. 654), as amended by section 101(b) of this Act,
16 is amended—

17 (1) by striking “and” at the end of paragraph
18 (24);

19 (2) by striking the period at the end of para-
20 graph (25) and inserting “; and”; and

21 (3) by adding after paragraph (25) the follow-
22 ing new paragraph:

23 “(26) will have in effect safeguards, applicable
24 to all confidential information handled by the State

1 agency, that are designed to protect the privacy
2 rights of the parties, including—

3 “(A) safeguards against unauthorized use
4 or disclosure of information relating to proceed-
5 ings or actions to establish paternity, or to es-
6 tablish or enforce support;

7 “(B) prohibitions against the release of in-
8 formation on the whereabouts of 1 party to an-
9 other party against whom a protective order
10 with respect to the former party has been en-
11 tered; and

12 “(C) prohibitions against the release of in-
13 formation on the whereabouts of 1 party to an-
14 other party if the State has reason to believe
15 that the release of the information may result
16 in physical or emotional harm to the former
17 party.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall become effective on October 1, 1997.

20 **SEC. 104. RIGHTS TO NOTIFICATION AND HEARINGS.**

21 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
22 amended by section 102(b)(2) of this Act, is amended by
23 inserting after paragraph (11) the following new para-
24 graph:

1 “(12) provide for the establishment of proce-
 2 dures to require the State to provide individuals who
 3 are applying for or receiving services under the State
 4 plan, or who are parties to cases in which services
 5 are being provided under the State plan—

6 “(A) with notice of all proceedings in
 7 which support obligations might be established
 8 or modified; and

9 “(B) with a copy of any order establishing
 10 or modifying a child support obligation, or (in
 11 the case of a petition for modification) a notice
 12 of determination that there should be no change
 13 in the amount of the child support award, with-
 14 in 14 days after issuance of such order or de-
 15 termination;”.

16 (b) EFFECTIVE DATE.—The amendment made by
 17 subsection (a) shall become effective on October 1, 1997.

18 **Subtitle B—Locate and Case** 19 **Tracking**

20 **SEC. 111. STATE CASE REGISTRY.**

21 Section 454A, as added by section 144(a)(2) of this
 22 Act, is amended by adding at the end the following new
 23 subsections:

24 “(e) STATE CASE REGISTRY.—

1 “(1) CONTENTS.—The automated system re-
2 quired by this section shall include a registry (which
3 shall be known as the ‘State case registry’) that con-
4 tains records with respect to—

5 “(A) each case in which services are being
6 provided by the State agency under the State
7 plan approved under this part; and

8 “(B) each support order established or
9 modified in the State on or after October 1,
10 1998.

11 “(2) LINKING OF LOCAL REGISTRIES.—The
12 State case registry may be established by linking
13 local case registries of support orders through an
14 automated information network, subject to this sec-
15 tion.

16 “(3) USE OF STANDARDIZED DATA ELE-
17 MENTS.—Such records shall use standardized data
18 elements for both parents (such as names, social se-
19 curity numbers and other uniform identification
20 numbers, dates of birth, and case identification
21 numbers), and contain such other information (such
22 as on-case status) as the Secretary may require.

23 “(4) PAYMENT RECORDS.—Each case record in
24 the State case registry with respect to which services
25 are being provided under the State plan approved

1 under this part and with respect to which a support
2 order has been established shall include a record
3 of—

4 “(A) the amount of monthly (or other peri-
5 odic) support owed under the order, and other
6 amounts (including arrearages, interest or late
7 payment penalties, and fees) due or overdue
8 under the order;

9 “(B) any amount described in subpara-
10 graph (A) that has been collected;

11 “(C) the distribution of such collected
12 amounts;

13 “(D) the birth date of any child for whom
14 the order requires the provision of support; and

15 “(E) the amount of any lien imposed with
16 respect to the order pursuant to section
17 466(a)(4).

18 “(5) UPDATING AND MONITORING.—The State
19 agency operating the automated system required by
20 this section shall promptly establish and maintain,
21 and regularly monitor, case records in the State case
22 registry with respect to which services are being pro-
23 vided under the State plan approved under this part,
24 on the basis of—

1 “(A) information on administrative actions
2 and administrative and judicial proceedings and
3 orders relating to paternity and support;

4 “(B) information obtained from compari-
5 son with Federal, State, or local sources of in-
6 formation;

7 “(C) information on support collections
8 and distributions; and

9 “(D) any other relevant information.

10 “(f) INFORMATION COMPARISONS AND OTHER DIS-
11 CLOSURES OF INFORMATION.—The State shall use the
12 automated system required by this section to extract infor-
13 mation from (at such times, and in such standardized for-
14 mat or formats, as may be required by the Secretary), to
15 share and compare information with, and to receive infor-
16 mation from, other data bases and information compari-
17 son services, in order to obtain (or provide) information
18 necessary to enable the State agency (or the Secretary or
19 other State or Federal agencies) to carry out this part,
20 subject to section 6103 of the Internal Revenue Code of
21 1986. Such information comparison activities shall include
22 the following:

23 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
24 PORT ORDERS.—Furnishing to the Federal Case
25 Registry of Child Support Orders established under

1 section 453(h) (and update as necessary, with infor-
2 mation including notice of expiration of orders) the
3 minimum amount of information on child support
4 cases recorded in the State case registry that is nec-
5 essary to operate the registry (as specified by the
6 Secretary in regulations).

7 “(2) FEDERAL PARENT LOCATOR SERVICE.—
8 Exchanging information with the Federal Parent
9 Locator Service for the purposes specified in section
10 453.

11 “(3) TEMPORARY FAMILY ASSISTANCE AND
12 MEDICAID AGENCIES.—Exchanging information with
13 State agencies (of the State and of other States) ad-
14 ministering programs funded under part A, pro-
15 grams operated under State plans under title XIX,
16 and other programs designated by the Secretary, as
17 necessary to perform State agency responsibilities
18 under this part and under such programs.

19 “(4) INTRASTATE AND INTERSTATE INFORMA-
20 TION COMPARISONS.—Exchanging information with
21 other agencies of the State, agencies of other States,
22 and interstate information networks, as necessary
23 and appropriate to carry out (or assist other States
24 to carry out) the purposes of this part.”.

1 **SEC. 112. COLLECTION AND DISBURSEMENT OF SUPPORT**
2 **PAYMENTS.**

3 (a) STATE PLAN REQUIREMENT.—Section 454 (42
4 U.S.C. 654), as amended by sections 101(b) and 103(a)
5 of this Act, is amended—

6 (1) by striking “and” at the end of paragraph
7 (25);

8 (2) by striking the period at the end of para-
9 graph (26) and inserting “; and”; and

10 (3) by adding after paragraph (26) the follow-
11 ing new paragraph:

12 “(27) provide that, on and after October 1,
13 1998, the State agency will—

14 “(A) operate a State disbursement unit in
15 accordance with section 454B; and

16 “(B) have sufficient State staff (consisting
17 of State employees) and (at State option) con-
18 tractors reporting directly to the State agency
19 to—

20 “(i) monitor and enforce support col-
21 lections through the unit in cases being en-
22 forced by the State pursuant to section
23 454(4) (including carrying out the auto-
24 mated data processing responsibilities de-
25 scribed in section 454A(g)); and

1 “(ii) take the actions described in sec-
2 tion 466(c)(1) in appropriate cases.”.

3 (b) ESTABLISHMENT OF STATE DISBURSEMENT
4 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
5 amended by section 144(a)(2) of this Act, is amended by
6 inserting after section 454A the following new section:

7 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
8 **PORT PAYMENTS.**

9 “(a) STATE DISBURSEMENT UNIT.—

10 “(1) IN GENERAL.—In order for a State to
11 meet the requirements of this section, the State
12 agency must establish and operate a unit (which
13 shall be known as the ‘State disbursement unit’) for
14 the collection and disbursement of payments under
15 support orders—

16 “(A) in all cases being enforced by the
17 State pursuant to section 454(4); and

18 “(B) in all cases not being enforced by the
19 State under this part in which the support
20 order is initially issued in the State on or after
21 January 1, 1994 and in which the wages of the
22 absent parent are subject to withholding pursu-
23 ant to section 466(a)(8)(B).

24 “(2) OPERATION.—The State disbursement
25 unit shall be operated—

1 “(A) directly by the State agency (or 2 or
2 more State agencies under a regional coopera-
3 tive agreement), or (to the extent appropriate)
4 by a contractor responsible directly to the State
5 agency; and

6 “(B) except in cases described in para-
7 graph (1)(B), in coordination with the auto-
8 mated system established by the State pursuant
9 to section 454A.

10 “(3) LINKING OF LOCAL DISBURSEMENT
11 UNITS.—The State disbursement unit may be estab-
12 lished by linking local disbursement units through
13 an automated information network, subject to this
14 section, if the Secretary agrees that the system will
15 not cost more nor take more time to establish or op-
16 erate than a centralized system. In addition, employ-
17 ers shall be given 1 location to which income with-
18 holding is sent.

19 “(b) REQUIRED PROCEDURES.—The State disburse-
20 ment unit shall use automated procedures, electronic proc-
21 esses, and computer-driven technology to the maximum
22 extent feasible, efficient, and economical, for the collection
23 and disbursement of support payments, including proce-
24 dures—

1 “(1) for receipt of payments from parents, em-
2 ployers, and other States, and for disbursements to
3 custodial parents and other obligees, the State
4 agency, and the agencies of other States;

5 “(2) for accurate identification of payments;

6 “(3) to ensure prompt disbursement of the cus-
7 todial parent’s share of any payment; and

8 “(4) to furnish to any parent, upon request,
9 timely information on the current status of support
10 payments under an order requiring payments to be
11 made by or to the parent.

12 “(c) TIMING OF DISBURSEMENTS.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), the State disbursement unit shall distrib-
15 ute all amounts payable under section 457(a) within
16 2 business days after receipt from the employer or
17 other source of periodic income, if sufficient infor-
18 mation identifying the payee is provided.

19 “(2) PERMISSIVE RETENTION OF ARREAR-
20 AGES.—The State disbursement unit may delay the
21 distribution of collections toward arrearages until
22 the resolution of any timely appeal with respect to
23 such arrearages.

1 “(d) BUSINESS DAY DEFINED.—As used in this sec-
2 tion, the term ‘business day’ means a day on which State
3 offices are open for regular business.”.

4 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
5 added by section 144(a)(2) and as amended by section 111
6 of this Act, is amended by adding at the end the following
7 new subsection:

8 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
9 PAYMENTS.—

10 “(1) IN GENERAL.—The State shall use the
11 automated system required by this section, to the
12 maximum extent feasible, to assist and facilitate the
13 collection and disbursement of support payments
14 through the State disbursement unit operated under
15 section 454B, through the performance of functions,
16 including, at a minimum—

17 “(A) transmission of orders and notices to
18 employers (and other debtors) for the withhold-
19 ing of wages and other income—

20 “(i) within 2 business days after re-
21 ceipt from a court, another State, an em-
22 ployer, the Federal Parent Locator Service,
23 or another source recognized by the State
24 of notice of, and the income source subject
25 to, such withholding; and

1 “(ii) using uniform formats prescribed
2 by the Secretary;

3 “(B) ongoing monitoring to promptly iden-
4 tify failures to make timely payment of support;
5 and

6 “(C) automatic use of enforcement proce-
7 dures (including procedures authorized pursu-
8 ant to section 466(c)) if payments are not
9 timely made.

10 “(2) BUSINESS DAY DEFINED.—As used in
11 paragraph (1), the term ‘business day’ means a day
12 on which State offices are open for regular busi-
13 ness.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall become effective on October 1, 1998.

16 **SEC. 113. STATE DIRECTORY OF NEW HIRES.**

17 (a) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by sections 101(b), 103(a), and
19 112(a) of this Act, is amended—

20 (1) by striking “and” at the end of paragraph
21 (26);

22 (2) by striking the period at the end of para-
23 graph (27) and inserting “; and”; and

24 (3) by adding after paragraph (27) the follow-
25 ing new paragraph:

1 “(28) provide that, on and after October 1,
2 1997, the State will operate a State Directory of
3 New Hires in accordance with section 453A.”.

4 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
5 title IV (42 U.S.C. 651–669) is amended by inserting
6 after section 453 the following new section:

7 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

8 “(a) ESTABLISHMENT.—

9 “(1) IN GENERAL.—

10 “(A) REQUIREMENT FOR STATES THAT
11 HAVE NO DIRECTORY.—Except as provided in
12 subparagraph (B), not later than October 1,
13 1997, each State shall establish an automated
14 directory (to be known as the ‘State Directory
15 of New Hires’) which shall contain information
16 supplied in accordance with subsection (b) by
17 employers on each newly hired employee.

18 “(B) STATES WITH NEW HIRE REPORTING
19 IN EXISTENCE.—A State which has a new hire
20 reporting law in existence on the date of the en-
21 actment of this section may continue to operate
22 under the State law, but the State must meet
23 the requirements of this section (other than
24 subsection (f)) not later than October 1, 1997.

25 “(2) DEFINITIONS.—As used in this section:

1 “(A) EMPLOYEE.—The term ‘employee’—

2 “(i) means an individual who is an
3 employee within the meaning of chapter 24
4 of the Internal Revenue Code of 1986; and

5 “(ii) does not include an employee of
6 a Federal or State agency performing in-
7 telligence or counterintelligence functions,
8 if the head of such agency has determined
9 that reporting pursuant to paragraph (1)
10 with respect to the employee could endan-
11 ger the safety of the employee or com-
12 promise an ongoing investigation or intel-
13 ligence mission.

14 “(B) EMPLOYER.—

15 “(i) IN GENERAL.—The term ‘em-
16 ployer’ has the meaning given such term in
17 section 3401(d) of the Internal Revenue
18 Code of 1996 and includes any govern-
19 mental entity and any labor organization.

20 “(ii) LABOR ORGANIZATION.—The
21 term ‘labor organization’ shall have the
22 meaning given such term in section 2(5) of
23 the National Labor Relations Act, and in-
24 cludes any entity (also known as a ‘hiring
25 hall’) which is used by the organization

1 and an employer to carry out requirements
2 described in section 8(f)(3) of such Act of
3 an agreement between the organization
4 and the employer.

5 “(b) EMPLOYER INFORMATION.—

6 “(1) REPORTING REQUIREMENT.—

7 “(A) IN GENERAL.—Except as provided in
8 subparagraphs (B) and (C), each employer shall
9 furnish to the Directory of New Hires of the
10 State in which a newly hired employee works, a
11 report that contains the name, address, and so-
12 cial security number of the employee, and the
13 name and address of, and identifying number
14 assigned under section 6109 of the Internal
15 Revenue Code of 1986 to, the employer.

16 “(B) MULTISTATE EMPLOYERS.—An em-
17 ployer that has employees who are employed in
18 2 or more States and that transmits reports
19 magnetically or electronically may comply with
20 subparagraph (A) by designating 1 State in
21 which such employer has employees to which
22 the employer will transmit the report described
23 in subparagraph (A), and transmitting such re-
24 port to such State. Any employer that transmits
25 reports pursuant to this subparagraph shall no-

1 tify the Secretary in writing as to which State
2 such employer designates for the purpose of
3 sending reports.

4 “(C) FEDERAL GOVERNMENT EMPLOY-
5 ERS.—Any department, agency, or instrumen-
6 tality of the United States shall comply with
7 subparagraph (A) by transmitting the report
8 described in subparagraph (A) to the National
9 Directory of New Hires established pursuant to
10 section 453.

11 “(2) TIMING OF REPORT.—Each State may
12 provide the time within which the report required by
13 paragraph (1) shall be made with respect to an em-
14 ployee, but such report shall be made—

15 “(A) not later than 20 days after the date
16 the employer hires the employee; or

17 “(B) in the case of an employer transmit-
18 ting reports magnetically or electronically, by 2
19 monthly transmissions (if necessary) not less
20 than 12 days nor more than 16 days apart.

21 “(c) REPORTING FORMAT AND METHOD.—Each re-
22 port required by subsection (b) shall be made on a
23 W-4 form or, at the option of the employer, an equivalent
24 form, and may be transmitted by 1st class mail, magneti-
25 cally, or electronically.

1 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
2 EMPLOYERS.—The State shall have the option to set a
3 State civil money penalty which shall be less than—

4 “(1) \$25; or

5 “(2) \$500 if, under State law, the failure is the
6 result of a conspiracy between the employer and the
7 employee to not supply the required report or to
8 supply a false or incomplete report.

9 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
10 mation shall be entered into the data base maintained by
11 the State Directory of New Hires within 5 business days
12 of receipt from an employer pursuant to subsection (b).

13 “(f) INFORMATION COMPARISONS.—

14 “(1) IN GENERAL.—Not later than May 1,
15 1998, an agency designated by the State shall, di-
16 rectly or by contract, conduct automated compari-
17 sons of the social security numbers reported by em-
18 ployers pursuant to subsection (b) and the social se-
19 curity numbers appearing in the records of the State
20 case registry for cases being enforced under the
21 State plan.

22 “(2) NOTICE OF MATCH.—When an information
23 comparison conducted under paragraph (1) reveals a
24 match with respect to the social security number of
25 an individual required to provide support under a

1 support order, the State Directory of New Hires
2 shall provide the agency administering the State
3 plan approved under this part of the appropriate
4 State with the name, address, and social security
5 number of the employee to whom the social security
6 number is assigned, and the name of, and identify-
7 ing number assigned under section 6109 of the In-
8 ternal Revenue Code of 1986 to, the employer.

9 “(g) TRANSMISSION OF INFORMATION.—

10 “(1) TRANSMISSION OF WAGE WITHHOLDING
11 NOTICES TO EMPLOYERS.—Within 2 business days
12 after the date information regarding a newly hired
13 employee is entered into the State Directory of New
14 Hires, the State agency enforcing the employee’s
15 child support obligation shall transmit a notice to
16 the employer of the employee directing the employer
17 to withhold from the wages of the employee an
18 amount equal to the monthly (or other periodic)
19 child support obligation (including any past due sup-
20 port obligation) of the employee, unless the employ-
21 ee’s wages are not subject to withholding pursuant
22 to section 466(b)(3).

23 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
24 TORY OF NEW HIRES.—

1 “(A) NEW HIRE INFORMATION.—Within 3
2 business days after the date information re-
3 garding a newly hired employee is entered into
4 the State Directory of New Hires, the State Di-
5 rectory of New Hires shall furnish the informa-
6 tion to the National Directory of New Hires.

7 “(B) WAGE AND UNEMPLOYMENT COM-
8 PENSATION INFORMATION.—The State Direc-
9 tory of New Hires shall, on a quarterly basis,
10 furnish to the National Directory of New Hires
11 extracts of the reports required under section
12 303(a)(6) to be made to the Secretary of Labor
13 concerning the wages and unemployment com-
14 pensation paid to individuals, by such dates, in
15 such format, and containing such information
16 as the Secretary of Health and Human Services
17 shall specify in regulations.

18 “(3) BUSINESS DAY DEFINED.—As used in this
19 subsection, the term ‘business day’ means a day on
20 which State offices are open for regular business.

21 “(h) OTHER USES OF NEW HIRE INFORMATION.—

22 “(1) LOCATION OF CHILD SUPPORT OBLI-
23 GORS.—The agency administering the State plan ap-
24 proved under this part shall use information received
25 pursuant to subsection (f)(2) to locate individuals

1 for purposes of establishing paternity and establish-
2 ing, modifying, and enforcing child support obliga-
3 tions.

4 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
5 TAIN PROGRAMS.—A State agency responsible for
6 administering a program specified in section 1137(b)
7 shall have access to information reported by employ-
8 ers pursuant to subsection (b) of this section for
9 purposes of verifying eligibility for the program.

10 “(3) ADMINISTRATION OF EMPLOYMENT SECUC-
11 RITY AND WORKERS’ COMPENSATION.—State agen-
12 cies operating employment security and workers’
13 compensation programs shall have access to informa-
14 tion reported by employers pursuant to subsection
15 (b) for the purposes of administering such pro-
16 grams.”.

17 (c) QUARTERLY WAGE REPORTING.—Section
18 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

19 (1) by inserting “(including State and local gov-
20 ernmental entities and labor organizations (as de-
21 fined in section 453A(a)(2)(B)(iii))” after “employ-
22 ers”; and

23 (2) by inserting “, and except that no report
24 shall be filed with respect to an employee of a State
25 or local agency performing intelligence or counter-

1 intelligence functions, if the head of such agency has
2 determined that filing such a report could endanger
3 the safety of the employee or compromise an ongoing
4 investigation or intelligence mission” after
5 “paragraph (2)”.

6 **SEC. 114. AMENDMENTS CONCERNING INCOME WITHHOLD-**
7 **ING.**

8 (a) MANDATORY INCOME WITHHOLDING.—

9 (1) IN GENERAL.—Section 466(a)(1) (42
10 U.S.C. 666(a)(1)) is amended to read as follows:

11 “(1)(A) Procedures described in subsection (b)
12 for the withholding from income of amounts payable
13 as support in cases subject to enforcement under the
14 State plan.

15 “(B) Procedures under which the wages of a
16 person with a support obligation imposed by a sup-
17 port order issued (or modified) in the State before
18 October 1, 1996, if not otherwise subject to with-
19 holding under subsection (b), shall become subject to
20 withholding as provided in subsection (b) if arrear-
21 ages occur, without the need for a judicial or admin-
22 istrative hearing.”.

23 (2) CONFORMING AMENDMENTS.—

24 (A) Section 466(b) (42 U.S.C. 666(b)) is
25 amended in the matter preceding paragraph

1 (1), by striking “subsection (a)(1)” and insert-
2 ing “subsection (a)(1)(A)”.

3 (B) Section 466(b)(4) (42 U.S.C.
4 666(b)(4)) is amended to read as follows:

5 “(4)(A) Such withholding must be carried out
6 in full compliance with all procedural due process re-
7 quirements of the State, and the State must send
8 notice to each noncustodial parent to whom para-
9 graph (1) applies—

10 “(i) that the withholding has commenced;

11 and

12 “(ii) of the procedures to follow if the non-
13 custodial parent desires to contest such with-
14 holding on the grounds that the withholding or
15 the amount withheld is improper due to a mis-
16 take of fact.

17 “(B) The notice under subparagraph (A) of this
18 paragraph shall include the information provided to
19 the employer under paragraph (6)(A).”.

20 (C) Section 466(b)(5) (42 U.S.C.
21 666(b)(5)) is amended by striking all that fol-
22 lows “administered by” and inserting “the
23 State through the State disbursement unit es-
24 tablished pursuant to section 454B, in accord-
25 ance with the requirements of section 454B.”.

1 (D) Section 466(b)(6)(A) (42 U.S.C.
2 666(b)(6)(A)) is amended—

3 (i) in clause (i), by striking “to the
4 appropriate agency” and all that follows
5 and inserting “to the State disbursement
6 unit within 2 business days after the date
7 the amount would (but for this subsection)
8 have been paid or credited to the employee,
9 for distribution in accordance with this
10 part. The employer shall comply with the
11 procedural rules relating to income with-
12 holding of the State in which the employee
13 works, regardless of the State where the
14 notice originates.”.

15 (ii) in clause (ii), by inserting “be in
16 a standard format prescribed by the Sec-
17 retary, and” after “shall”; and

18 (iii) by adding at the end the follow-
19 ing new clause:

20 “(iii) As used in this subparagraph, the term
21 ‘business day’ means a day on which State offices
22 are open for regular business.”.

23 (E) Section 466(b)(6)(D) (42 U.S.C.
24 666(b)(6)(D)) is amended by striking “any em-

1 ployer” and all that follows and inserting “any
2 employer who—

3 “(i) discharges from employment, refuses
4 to employ, or takes disciplinary action against
5 any noncustodial parent subject to wage with-
6 holding required by this subsection because of
7 the existence of such withholding and the obli-
8 gations or additional obligations which it im-
9 poses upon the employer; or

10 “(ii) fails to withhold support from wages,
11 or to pay such amounts to the State disburse-
12 ment unit in accordance with this subsection.”.

13 (F) Section 466(b) (42 U.S.C. 666(b)) is
14 amended by adding at the end the following
15 new paragraph:

16 “(11) Procedures under which the agency ad-
17 ministering the State plan approved under this part
18 may execute a withholding order without advance
19 notice to the obligor, including issuing the withhold-
20 ing order through electronic means.”.

21 (b) CONFORMING AMENDMENT.—Section 466(c) (42
22 U.S.C. 666(c)) is repealed.

1 **SEC. 115. LOCATOR INFORMATION FROM INTERSTATE NET-**
2 **WORKS.**

3 Section 466(a) (42 U.S.C. 666(a)) is amended by
4 adding at the end the following new paragraph:

5 “(12) LOCATOR INFORMATION FROM INTER-
6 STATE NETWORKS.—Procedures to ensure that all
7 Federal and State agencies conducting activities
8 under this part have access to any system used by
9 the State to locate an individual for purposes relat-
10 ing to motor vehicles or law enforcement.”.

11 **SEC. 116. EXPANSION OF THE FEDERAL PARENT LOCATOR**
12 **SERVICE.**

13 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
14 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
15 amended—

16 (1) in subsection (a), by striking all that follows
17 “subsection (c))” and inserting “, for the purpose of
18 establishing parentage, establishing, setting the
19 amount of, modifying, or enforcing child support ob-
20 ligations, or enforcing child custody or visitation or-
21 ders—

22 “(1) information on, or facilitating the discov-
23 ery of, the location of any individual—

24 “(A) who is under an obligation to pay
25 child support or provide child custody or visita-
26 tion rights;

1 “(B) against whom such an obligation is
2 sought;

3 “(C) to whom such an obligation is owed,
4 including the individual’s social security number (or
5 numbers), most recent address, and the name, ad-
6 dress, and employer identification number of the in-
7 dividual’s employer;

8 “(2) information on the individual’s wages (or
9 other income) from, and benefits of, employment (in-
10 cluding rights to or enrollment in group health care
11 coverage); and

12 “(3) information on the type, status, location,
13 and amount of any assets of, or debts owed by or
14 to, any such individual.”; and

15 (2) in subsection (b)—

16 (A) in the matter preceding paragraph (1),
17 by striking “social security” and all that follows
18 through “absent parent” and inserting “infor-
19 mation described in subsection (a)”;

20 (B) in the flush paragraph at the end, by
21 adding the following: “No information shall be
22 disclosed to any person if the State has notified
23 the Secretary that the State has reasonable evi-
24 dence of domestic violence or child abuse and
25 the disclosure of such information could be

1 harmful to the custodial parent or the child of
2 such parent. Information received or transmit-
3 ted pursuant to this section shall be subject to
4 the safeguard provisions contained in section
5 454(26).”.

6 (b) AUTHORIZED PERSON FOR INFORMATION RE-
7 GARDING VISITATION RIGHTS.—Section 453(c) (42
8 U.S.C. 653(c)) is amended—

9 (1) in paragraph (1), by striking “support” and
10 inserting “support or to seek to enforce orders pro-
11 viding child custody or visitation rights”; and

12 (2) in paragraph (2), by striking “, or any
13 agent of such court; and” and inserting “or to issue
14 an order against a resident parent for child custody
15 or visitation rights, or any agent of such court;”.

16 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
17 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
18 653(e)(2)) is amended in the 4th sentence by inserting
19 “in an amount which the Secretary determines to be rea-
20 sonable payment for the information exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the information)” before
23 the period.

1 (d) REIMBURSEMENT FOR REPORTS BY STATE
2 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
3 adding at the end the following new subsection:

4 “(g) REIMBURSEMENT FOR REPORTS BY STATE
5 AGENCIES.—The Secretary may reimburse Federal and
6 State agencies for the costs incurred by such entities in
7 furnishing information requested by the Secretary under
8 this section in an amount which the Secretary determines
9 to be reasonable payment for the information exchange
10 (which amount shall not include payment for the costs of
11 obtaining, compiling, or maintaining the information).”.

12 (e) CONFORMING AMENDMENTS.—

13 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
14 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
15 653(b), 663(a), 663(e), and 663(f)) are each amend-
16 ed by inserting “Federal” before “Parent” each
17 place such term appears.

18 (2) Section 453 (42 U.S.C. 653) is amended in
19 the heading by adding “FEDERAL” before “PAR-
20 ENT”.

21 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
22 653), as amended by subsection (d) of this section, is
23 amended by adding at the end the following new sub-
24 sections:

1 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
2 ORDERS.—

3 “(1) IN GENERAL.—Not later than October 1,
4 1998, in order to assist States in administering pro-
5 grams under State plans approved under this part
6 and programs funded under part A, and for the
7 other purposes specified in this section, the Sec-
8 retary shall establish and maintain in the Federal
9 Parent Locator Service an automated registry
10 (which shall be known as the ‘Federal Case Registry
11 of Child Support Orders’), which shall contain ab-
12 stracts of support orders and other information de-
13 scribed in paragraph (2) with respect to each case
14 in each State case registry maintained pursuant to
15 section 454A(e), as furnished (and regularly up-
16 dated), pursuant to section 454A(f), by State agen-
17 cies administering programs under this part.

18 “(2) CASE INFORMATION.—The information re-
19 ferred to in paragraph (1) with respect to a case
20 shall be such information as the Secretary may
21 specify in regulations (including the names, social
22 security numbers or other uniform identification
23 numbers, and State case identification numbers) to
24 identify the individuals who owe or are owed support
25 (or with respect to or on behalf of whom support ob-

1 ligations are sought to be established), and the State
2 or States which have the case.

3 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

4 “(1) IN GENERAL.—In order to assist States in
5 administering programs under State plans approved
6 under this part and programs funded under part A,
7 and for the other purposes specified in this section,
8 the Secretary shall, not later than October 1, 1996,
9 establish and maintain in the Federal Parent Loca-
10 tor Service an automated directory to be known as
11 the National Directory of New Hires, which shall
12 contain the information supplied pursuant to section
13 453A(g)(2).

14 “(2) ENTRY OF DATA.—Information shall be
15 entered into the data base maintained by the Na-
16 tional Directory of New Hires within 2 business
17 days of receipt pursuant to section 453A(g)(2).

18 “(3) ADMINISTRATION OF FEDERAL TAX
19 LAWS.—The Secretary of the Treasury shall have
20 access to the information in the National Directory
21 of New Hires for purposes of administering section
22 32 of the Internal Revenue Code of 1986, or the ad-
23 vance payment of the earned income tax credit
24 under section 3507 of such Code, and verifying a
25 claim with respect to employment in a tax return.

1 “(4) LIST OF MULTISTATE EMPLOYERS.—The
2 Secretary shall maintain within the National Direc-
3 tory of New Hires a list of multistate employers that
4 report information regarding newly hired employees
5 pursuant to section 453A(b)(1)(B), and the State
6 which each such employer has designated to receive
7 such information.

8 “(j) INFORMATION COMPARISONS AND OTHER DIS-
9 CLOSURES.—

10 “(1) VERIFICATION BY SOCIAL SECURITY AD-
11 MINISTRATION.—

12 “(A) IN GENERAL.—The Secretary shall
13 transmit information on individuals and em-
14 ployers maintained under this section to the So-
15 cial Security Administration to the extent nec-
16 essary for verification in accordance with sub-
17 paragraph (B).

18 “(B) VERIFICATION BY SSA.—The Social
19 Security Administration shall verify the accu-
20 racy of, correct, or supply to the extent pos-
21 sible, and report to the Secretary, the following
22 information supplied by the Secretary pursuant
23 to subparagraph (A):

24 “(i) The name, social security num-
25 ber, and birth date of each such individual.

1 “(ii) The employer identification num-
2 ber of each such employer.

3 “(2) INFORMATION COMPARISONS.—For the
4 purpose of locating individuals in a paternity estab-
5 lishment case or a case involving the establishment,
6 modification, or enforcement of a support order, the
7 Secretary shall—

8 “(A) compare information in the National
9 Directory of New Hires against information in
10 the support case abstracts in the Federal Case
11 Registry of Child Support Orders not less often
12 than every 2 business days; and

13 “(B) within 2 such days after such a com-
14 parison reveals a match with respect to an indi-
15 vidual, report the information to the State
16 agency responsible for the case.

17 “(3) INFORMATION COMPARISONS AND DISCLO-
18 SURES OF INFORMATION IN ALL REGISTRIES FOR
19 TITLE IV PROGRAM PURPOSES.—To the extent and
20 with the frequency that the Secretary determines to
21 be effective in assisting States to carry out their re-
22 sponsibilities under programs operated under this
23 part and programs funded under part A, the Sec-
24 retary shall—

1 “(A) compare the information in each com-
2 ponent of the Federal Parent Locator Service
3 maintained under this section against the infor-
4 mation in each other such component (other
5 than the comparison required by paragraph
6 (2)), and report instances in which such a com-
7 parison reveals a match with respect to an indi-
8 vidual to State agencies operating such pro-
9 grams; and

10 “(B) disclose information in such registries
11 to such State agencies.

12 “(4) PROVISION OF NEW HIRE INFORMATION
13 TO THE SOCIAL SECURITY ADMINISTRATION.—The
14 National Directory of New Hires shall provide the
15 Commissioner of Social Security with all information
16 in the National Directory, which shall be used to de-
17 termine the accuracy of payments under the supple-
18 mental security income program under title XVI and
19 in connection with benefits under title II.

20 “(5) RESEARCH.—The Secretary may provide
21 access to information reported by employers pursu-
22 ant to section 453A(b) for research purposes found
23 by the Secretary to be likely to contribute to achiev-
24 ing the purposes of part A or this part, but without
25 personal identifiers.

1 “(k) FEES.—

2 “(1) FOR SSA VERIFICATION.—The Secretary
3 shall reimburse the Commissioner of Social Security,
4 at a rate negotiated between the Secretary and the
5 Commissioner, for the costs incurred by the Com-
6 missioner in performing the verification services de-
7 scribed in subsection (j).

8 “(2) FOR INFORMATION FROM STATE DIREC-
9 TORIES OF NEW HIRES.—The Secretary shall reim-
10 burse costs incurred by State directories of new
11 hires in furnishing information as required by sub-
12 section (j)(3), at rates which the Secretary deter-
13 mines to be reasonable (which rates shall not include
14 payment for the costs of obtaining, compiling, or
15 maintaining such information).

16 “(3) FOR INFORMATION FURNISHED TO STATE
17 AND FEDERAL AGENCIES.—A State or Federal agen-
18 cy that receives information from the Secretary pur-
19 suant to this section shall reimburse the Secretary
20 for costs incurred by the Secretary in furnishing the
21 information, at rates which the Secretary determines
22 to be reasonable (which rates shall include payment
23 for the costs of obtaining, verifying, maintaining,
24 and comparing the information).

1 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
2 formation in the Federal Parent Locator Service, and in-
3 formation resulting from comparisons using such informa-
4 tion, shall not be used or disclosed except as expressly pro-
5 vided in this section, subject to section 6103 of the Inter-
6 nal Revenue Code of 1986.

7 “(m) INFORMATION INTEGRITY AND SECURITY.—
8 The Secretary shall establish and implement safeguards
9 with respect to the entities established under this section
10 designed to—

11 “(1) ensure the accuracy and completeness of
12 information in the Federal Parent Locator Service;
13 and

14 “(2) restrict access to confidential information
15 in the Federal Parent Locator Service to authorized
16 persons, and restrict use of such information to au-
17 thorized purposes.

18 “(n) FEDERAL GOVERNMENT REPORTING.—Each
19 department, agency, and instrumentality of the United
20 States shall on a quarterly basis report to the Federal
21 Parent Locator Service the name and social security num-
22 ber of each employee and the wages paid to the employee
23 during the previous quarter, except that such a report
24 shall not be filed with respect to an employee of a depart-
25 ment, agency, or instrumentality performing intelligence

1 or counterintelligence functions, if the head of such de-
2 partment, agency, or instrumentality has determined that
3 filing such a report could endanger the safety of the em-
4 ployee or compromise an ongoing investigation or intel-
5 ligence mission.”.

6 (g) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
8 CURITY ACT.—

9 (A) Section 454(8)(B) (42 U.S.C.
10 654(8)(B)) is amended to read as follows:

11 “(B) the Federal Parent Locator Service
12 established under section 453;”.

13 (B) Section 454(13) (42 U.S.C.654(13)) is
14 amended by inserting “and provide that infor-
15 mation requests by parents who are residents of
16 other States be treated with the same priority
17 as requests by parents who are residents of the
18 State submitting the plan” before the semi-
19 colon.

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
21 Section 3304(a)(16) of the Internal Revenue Code of
22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-
24 cation, and Welfare” each place such term ap-

1 pears and inserting “Secretary of Health and
2 Human Services”;

3 (B) in subparagraph (B), by striking
4 “such information” and all that follows and in-
5 serting “information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;”;

8 (C) by striking “and” at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

14 “(B) wage and unemployment compensa-
15 tion information contained in the records of
16 such agency shall be furnished to the Secretary
17 of Health and Human Services (in accordance
18 with regulations promulgated by such Sec-
19 retary) as necessary for the purposes of the Na-
20 tional Directory of New Hires established under
21 section 453(i) of the Social Security Act, and”.

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Subsection (h)
24 of section 303 (42 U.S.C. 503) is amended to read
25 as follows:

1 “(h)(1) The State agency charged with the adminis-
2 tration of the State law shall, on a reimbursable basis—

3 “(A) disclose quarterly, to the Secretary of
4 Health and Human Services wage and claim infor-
5 mation, as required pursuant to section 453(i)(1),
6 contained in the records of such agency;

7 “(B) ensure that information provided pursuant
8 to subparagraph (A) meets such standards relating
9 to correctness and verification as the Secretary of
10 Health and Human Services, with the concurrence
11 of the Secretary of Labor, may find necessary; and

12 “(C) establish such safeguards as the Secretary
13 of Labor determines are necessary to insure that in-
14 formation disclosed under subparagraph (A) is used
15 only for purposes of section 453(i)(1) in carrying out
16 the child support enforcement program under title
17 IV.

18 “(2) Whenever the Secretary of Labor, after reason-
19 able notice and opportunity for hearing to the State agen-
20 cy charged with the administration of the State law, finds
21 that there is a failure to comply substantially with the re-
22 quirements of paragraph (1), the Secretary of Labor shall
23 notify such State agency that further payments will not
24 be made to the State until the Secretary of Labor is satis-
25 fied that there is no longer any such failure. Until the

1 Secretary of Labor is so satisfied, the Secretary shall
2 make no future certification to the Secretary of the Treas-
3 ury with respect to the State.

4 “(3) For purposes of this subsection—

5 “(A) the term ‘wage information’ means infor-
6 mation regarding wages paid to an individual, the
7 social security account number of such individual,
8 and the name, address, State, and the Federal em-
9 ployer identification number of the employer paying
10 such wages to such individual; and

11 “(B) the term ‘claim information’ means infor-
12 mation regarding whether an individual is receiving,
13 has received, or has made application for, unemploy-
14 ment compensation, the amount of any such com-
15 pensation being received (or to be received by such
16 individual), and the individual’s current (or most re-
17 cent) home address.”.

18 (4) DISCLOSURE OF CERTAIN INFORMATION TO
19 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-
20 CIES.—

21 (A) IN GENERAL.—Paragraph (6) of sec-
22 tion 6103(l) of the Internal Revenue Code of
23 1986 (relating to disclosure of return informa-
24 tion to Federal, State, and local child support
25 enforcement agencies) is amended by redesignig-

1 nating subparagraph (B) as subparagraph (C)
2 and by inserting after subparagraph (A) the fol-
3 lowing new subparagraph:

4 “(B) DISCLOSURE TO CERTAIN AGENTS.—
5 The following information disclosed to any child
6 support enforcement agency under subpara-
7 graph (A) with respect to any individual with
8 respect to whom child support obligations are
9 sought to be established or enforced may be dis-
10 closed by such agency to any agent of such
11 agency which is under contract with such agen-
12 cy to carry out the purposes described in sub-
13 paragraph (C):

14 “(i) The address and social security
15 account number (or numbers) of such indi-
16 vidual.

17 “(ii) The amount of any reduction
18 under section 6402(c) (relating to offset of
19 past-due support against overpayments) in
20 any overpayment otherwise payable to such
21 individual.”

22 (B) CONFORMING AMENDMENTS.—

23 (i) Paragraph (3) of section 6103(a)
24 of such Code is amended by striking

1 “(l)(12)” and inserting “paragraph (6) or
2 (12) of subsection (l)”.

3 (ii) Subparagraph (C) of section
4 6103(l)(6) of such Code, as redesignated
5 by subsection (a), is amended to read as
6 follows:

7 “(C) RESTRICTION ON DISCLOSURE.—In-
8 formation may be disclosed under this para-
9 graph only for purposes of, and to the extent
10 necessary in, establishing and collecting child
11 support obligations from, and locating, individ-
12 uals owing such obligations.”

13 (iii) The material following subpara-
14 graph (F) of section 6103(p)(4) of such
15 Code is amended by striking “subsection
16 (l)(12)(B)” and inserting “paragraph
17 (6)(A) or (12)(B) of subsection (l)”.

18 **SEC. 117. COLLECTION AND USE OF SOCIAL SECURITY**
19 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
20 **FORCEMENT.**

21 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
22 U.S.C. 666(a)), as amended by section 115 of this Act,
23 is amended by adding at the end the following new para-
24 graph:

1 “(13) RECORDING OF SOCIAL SECURITY NUM-
2 BERS IN CERTAIN FAMILY MATTERS.—Procedures
3 requiring that the social security number of—

4 “(A) any applicant for a professional li-
5 cense, commercial driver’s license, occupational
6 license, or marriage license be recorded on the
7 application;

8 “(B) any individual who is subject to a di-
9 vorce decree, support order, or paternity deter-
10 mination or acknowledgment be placed in the
11 records relating to the matter; and

12 “(C) any individual who has died be placed
13 in the records relating to the death and be re-
14 corded on the death certificate.

15 For purposes of subparagraph (A), if a State allows
16 the use of a number other than the social security
17 number, the State shall so advise any applicants.”.

18 (b) CONFORMING AMENDMENTS.—Section
19 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
20 section 321(a)(9) of the Social Security Independence and
21 Program Improvements Act of 1994, is amended—

22 (1) in clause (i), by striking “may require” and
23 inserting “shall require”;

24 (2) in clause (ii), by inserting after the 1st sen-
25 tence the following: “In the administration of any

1 law involving the issuance of a marriage certificate
2 or license, each State shall require each party named
3 in the certificate or license to furnish to the State
4 (or political subdivision thereof), or any State agen-
5 cy having administrative responsibility for the law
6 involved, the social security number of the party.”;

7 (3) in clause (ii), by inserting “or marriage cer-
8 tificate” after “Such numbers shall not be recorded
9 on the birth certificate”.

10 (4) in clause (vi), by striking “may” and insert-
11 ing “shall”; and

12 (5) by adding at the end the following new
13 clauses:

14 “(x) An agency of a State (or a politi-
15 cal subdivision thereof) charged with the
16 administration of any law concerning the
17 issuance or renewal of a license, certificate,
18 permit, or other authorization to engage in
19 a profession, an occupation, or a commer-
20 cial activity shall require all applicants for
21 issuance or renewal of the license, certifi-
22 cate, permit, or other authorization to pro-
23 vide the applicant’s social security number
24 to the agency for the purpose of admin-
25 istering such laws, and for the purpose of

1 responding to requests for information
2 from an agency operating pursuant to part
3 D of title IV.

4 “(xi) All divorce decrees, support or-
5 ders, and paternity determinations issued,
6 and all paternity acknowledgments made,
7 in each State shall include the social secu-
8 rity number of each party to the decree,
9 order, determination, or acknowledgement
10 in the records relating to the matter, for
11 the purpose of responding to requests for
12 information from an agency operating pur-
13 suant to part D of title IV.”.

14 **Subtitle C—Streamlining and** 15 **Uniformity of Procedures**

16 **SEC. 121. ADOPTION OF UNIFORM STATE LAWS.**

17 Section 466 (42 U.S.C. 666) is amended by adding
18 at the end the following new subsection:

19 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
20 ACT.—

21 “(1) ENACTMENT AND USE.—In order to sat-
22 isfy section 454(20)(A), on and after January 1,
23 1998, each State must have in effect the Uniform
24 Interstate Family Support Act, as approved by the
25 American Bar Association on February 9, 1993, to-

1 gether with any amendments officially adopted be-
2 fore January 1, 1998 by the National Conference of
3 Commissioners on Uniform State Laws.

4 “(2) EMPLOYERS TO FOLLOW PROCEDURAL
5 RULES OF STATE WHERE EMPLOYEE WORKS.—The
6 State law enacted pursuant to paragraph (1) shall
7 provide that an employer that receives an income
8 withholding order or notice pursuant to section 501
9 of the Uniform Interstate Family Support Act follow
10 the procedural rules that apply with respect to such
11 order or notice under the laws of the State in which
12 the obligor works.

13 **SEC. 122. IMPROVEMENTS TO FULL FAITH AND CREDIT**
14 **FOR CHILD SUPPORT ORDERS.**

15 Section 1738B of title 28, United States Code, is
16 amended—

17 (1) in subsection (a)(2), by striking “subsection
18 (e)” and inserting “subsections (e), (f), and (i)”;

19 (2) in subsection (b), by inserting after the 2nd
20 undesignated paragraph the following:

21 “‘child’s home State’ means the State in which
22 a child lived with a parent or a person acting as par-
23 ent for at least 6 consecutive months immediately
24 preceding the time of filing of a petition or com-
25 parable pleading for support and, if a child is less

1 than 6 months old, the State in which the child lived
2 from birth with any of them. A period of temporary
3 absence of any of them is counted as part of the 6-
4 month period.”;

5 (3) in subsection (c), by inserting “by a court
6 of a State” before “is made”;

7 (4) in subsection (c)(1), by inserting “and sub-
8 sections (e), (f), and (g)” after “located”;

9 (5) in subsection (d)—

10 (A) by inserting “individual” before “con-
11 testant”; and

12 (B) by striking “subsection (e)” and in-
13 serting “subsections (e) and (f)”;

14 (6) in subsection (e), by striking “make a modi-
15 fication of a child support order with respect to a
16 child that is made” and inserting “modify a child
17 support order issued”;

18 (7) in subsection (e)(1), by inserting “pursuant
19 to subsection (i)” before the semicolon;

20 (8) in subsection (e)(2)—

21 (A) by inserting “individual” before “con-
22 testant” each place such term appears; and

23 (B) by striking “to that court’s making the
24 modification and assuming” and inserting “with
25 the State of continuing, exclusive jurisdiction

1 for a court of another State to modify the order
2 and assume”;

3 (9) by redesignating subsections (f) and (g) as
4 subsection (g) and (h), respectively;

5 (10) by inserting after subsection (e) the follow-
6 ing new subsection:

7 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
8 If 1 or more child support orders have been issued in this
9 or another State with regard to an obligor and a child,
10 a court shall apply the following rules in determining
11 which order to recognize for purposes of continuing, exclu-
12 sive jurisdiction and enforcement:

13 “(1) If only 1 court has issued a child support
14 order, the order of that court must be recognized.

15 “(2) If 2 or more courts have issued child sup-
16 port orders for the same obligor and child, and only
17 1 of the courts would have continuing, exclusive ju-
18 risdiction under this section, the order of that court
19 must be recognized.

20 “(3) If 2 or more courts have issued child sup-
21 port orders for the same obligor and child, and more
22 than 1 of the courts would have continuing, exclusive
23 jurisdiction under this section, an order issued by a
24 court in the current home State of the child must
25 be recognized, but if an order has not been issued

1 in the current home State of the child, the order
2 most recently issued must be recognized.

3 “(4) If 2 or more courts have issued child sup-
4 port orders for the same obligor and child, and none
5 of the courts would have continuing, exclusive juris-
6 diction under this section, a court may issue a child
7 support order, which must be recognized.

8 “(5) The court that has issued an order recog-
9 nized under this subsection is the court having con-
10 tinuing, exclusive jurisdiction.”;

11 (11) in subsection (g) (as so redesignated)—

12 (A) by striking “PRIOR” and inserting
13 “MODIFIED”; and

14 (B) by striking “subsection (e)” and in-
15 serting “subsections (e) and (f)”;

16 (12) in subsection (h) (as so redesignated)—

17 (A) in paragraph (2), by inserting “includ-
18 ing the duration of current payments and other
19 obligations of support” before the comma; and

20 (B) in paragraph (3), by inserting “arrears
21 under” after “enforce”; and

22 (13) by adding at the end the following new
23 subsection:

24 “(i) REGISTRATION FOR MODIFICATION.—If there is
25 no individual contestant or child residing in the issuing

1 State, the party or support enforcement agency seeking
2 to modify, or to modify and enforce, a child support order
3 issued in another State shall register that order in a State
4 with jurisdiction over the nonmovant for the purpose of
5 modification.”.

6 **SEC. 123. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
7 **CASES.**

8 Section 466(a) (42 U.S.C. 666(a)), as amended by
9 sections 115 and 117(a) of this Act, is amended by adding
10 at the end the following new paragraph:

11 “(14) ADMINISTRATIVE ENFORCEMENT IN
12 INTERSTATE CASES.—Procedures under which—

13 “(A)(i) the State shall respond within 5
14 business days to a request made by another
15 State to enforce a support order; and

16 “(ii) the term ‘business day’ means a day
17 on which State offices are open for regular
18 business;

19 “(B) the State may, by electronic or other
20 means, transmit to another State a request for
21 assistance in a case involving the enforcement
22 of a support order, which request—

23 “(i) shall include such information as
24 will enable the State to which the request
25 is transmitted to compare the information

1 about the case to the information in the
2 data bases of the State; and

3 “(ii) shall constitute a certification by
4 the requesting State—

5 “(I) of the amount of support
6 under the order the payment of which
7 is in arrears; and

8 “(II) that the requesting State
9 has complied with all procedural due
10 process requirements applicable to the
11 case;

12 “(C) if the State provides assistance to an-
13 other State pursuant to this paragraph with re-
14 spect to a case, neither State shall consider the
15 case to be transferred to the caseload of such
16 other State; and

17 “(D) the State shall maintain records of—

18 “(i) the number of such requests for
19 assistance received by the State;

20 “(ii) the number of cases for which
21 the State collected support in response to
22 such a request; and

23 “(iii) the amount of such collected
24 support.”.

1 **SEC. 124. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

2 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
3 652(a)) is amended—

4 (1) by striking “and” at the end of paragraph
5 (9);

6 (2) by striking the period at the end of para-
7 graph (10) and inserting “; and”; and

8 (3) by adding at the end the following new
9 paragraph:

10 “(11) not later than June 30, 1996, after con-
11 sulting with the State directors of programs under
12 this part, promulgate forms to be used by States in
13 interstate cases for—

14 “(A) collection of child support through in-
15 come withholding;

16 “(B) imposition of liens; and

17 “(C) administrative subpoenas.”.

18 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
19 654(9)) is amended—

20 (1) by striking “and” at the end of subpara-
21 graph (C);

22 (2) by inserting “and” at the end of subpara-
23 graph (D); and

24 (3) by adding at the end the following new sub-
25 paragraph:

1 “(E) no later than October 1, 1996, in
2 using the forms promulgated pursuant to sec-
3 tion 452(a)(11) for income withholding, imposi-
4 tion of liens, and issuance of administrative
5 subpoenas in interstate child support cases;”.

6 **SEC. 125. STATE LAWS PROVIDING EXPEDITED PROCE-**
7 **DURES.**

8 (a) STATE LAW REQUIREMENTS.—Section 466 (42
9 U.S.C. 666), as amended by section 114 of this Act, is
10 amended—

11 (1) in subsection (a)(2), by striking the 1st sen-
12 tence and inserting the following: “Expedited admin-
13 istrative and judicial procedures (including the pro-
14 cedures specified in subsection (c)) for establishing
15 paternity and for establishing, modifying, and en-
16 forcing support obligations.”; and

17 (2) by inserting after subsection (b) the follow-
18 ing new subsection:

19 “(c) EXPEDITED PROCEDURES.—The procedures
20 specified in this subsection are the following:

21 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
22 CY.—Procedures which give the State agency the au-
23 thority to take the following actions relating to es-
24 tablishment or enforcement of support orders, with-
25 out the necessity of obtaining an order from any

1 other judicial or administrative tribunal, and to rec-
2 ognize and enforce the authority of State agencies of
3 other States) to take the following actions:

4 “(A) GENETIC TESTING.—To order genetic
5 testing for the purpose of paternity establish-
6 ment as provided in section 466(a)(5).

7 “(B) FINANCIAL OR OTHER INFORMA-
8 TION.—To subpoena any financial or other in-
9 formation needed to establish, modify, or en-
10 force a support order, and to impose penalties
11 for failure to respond to such a subpoena.

12 “(C) RESPONSE TO STATE AGENCY RE-
13 QUEST.—To require all entities in the State (in-
14 cluding for-profit, nonprofit, and governmental
15 employers) to provide promptly, in response to
16 a request by the State agency of that or any
17 other State administering a program under this
18 part, information on the employment, com-
19 pensation, and benefits of any individual em-
20 ployed by such entity as an employee or con-
21 tractor, and to sanction failure to respond to
22 any such request.

23 “(D) ACCESS TO CERTAIN RECORDS.—To
24 obtain access, subject to safeguards on privacy
25 and information security, to the following

1 records (including automated access, in the case
2 of records maintained in automated data
3 bases):

4 “(i) Records of other State and local
5 government agencies, including—

6 “(I) vital statistics (including
7 records of marriage, birth, and di-
8 vorce);

9 “(II) State and local tax and rev-
10 enue records (including information
11 on residence address, employer, in-
12 come and assets);

13 “(III) records concerning real
14 and titled personal property;

15 “(IV) records of occupational and
16 professional licenses, and records con-
17 cerning the ownership and control of
18 corporations, partnerships, and other
19 business entities;

20 “(V) employment security
21 records;

22 “(VI) records of agencies admin-
23 istering public assistance programs;

24 “(VII) records of the motor vehi-
25 cle department; and

1 “(VIII) corrections records.

2 “(ii) Certain records held by private
3 entities, including—

4 “(I) customer records of public
5 utilities and cable television compa-
6 nies; and

7 “(II) information (including in-
8 formation on assets and liabilities) on
9 individuals who owe or are owed sup-
10 port (or against or with respect to
11 whom a support obligation is sought)
12 held by financial institutions (subject
13 to limitations on liability of such enti-
14 ties arising from affording such ac-
15 cess), as provided pursuant to agree-
16 ments described in subsection (a)(18).

17 “(E) CHANGE IN PAYEE.—In cases in
18 which support is subject to an assignment in
19 order to comply with a requirement imposed
20 pursuant to part A or section 1912, or to a re-
21 quirement to pay through the State disburse-
22 ment unit established pursuant to section
23 454B, upon providing notice to obligor and obli-
24 gee, to direct the obligor or other payor to

1 change the payee to the appropriate government
2 entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in
7 which there is a support arrearage, to secure
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or
10 lump-sum payments from—

11 “(I) a State or local agency, in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits; and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;

19 “(iii) attaching public and private re-
20 tirement funds; and

21 “(iv) imposing liens in accordance
22 with subsection (a)(4) and, in appropriate
23 cases, to force sale of property and dis-
24 tribution of proceeds.

1 “(H) INCREASE MONTHLY PAYMENTS.—
2 For the purpose of securing overdue support, to
3 increase the amount of monthly support pay-
4 ments to include amounts for arrearages, sub-
5 ject to such conditions or limitations as the
6 State may provide.

7 Such procedures shall be subject to due process safe-
8 guards, including (as appropriate) requirements for
9 notice, opportunity to contest the action, and oppor-
10 tunity for an appeal on the record to an independent
11 administrative or judicial tribunal.

12 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
13 The expedited procedures required under subsection
14 (a)(2) shall include the following rules and author-
15 ity, applicable with respect to all proceedings to es-
16 tablish paternity or to establish, modify, or enforce
17 support orders:

18 “(A) LOCATOR INFORMATION; PRESUMP-
19 TIONS CONCERNING NOTICE.—Procedures
20 under which—

21 “(i) each party to any paternity or
22 child support proceeding is required (sub-
23 ject to privacy safeguards) to file with the
24 tribunal and the State case registry upon
25 entry of an order, and to update as appro-

1 puate, information on location and identity
2 of the party, including social security num-
3 ber, residential and mailing addresses, tele-
4 phone number, driver’s license number,
5 and name, address, and name and tele-
6 phone number of employer; and

7 “(ii) in any subsequent child support
8 enforcement action between the parties,
9 upon sufficient showing that diligent effort
10 has been made to ascertain the location of
11 such a party, the tribunal may deem State
12 due process requirements for notice and
13 service of process to be met with respect to
14 the party, upon delivery of written notice
15 to the most recent residential or employer
16 address filed with the tribunal pursuant to
17 clause (i).

18 “(B) STATEWIDE JURISDICTION.—Proce-
19 dures under which—

20 “(i) the State agency and any admin-
21 istrative or judicial tribunal with authority
22 to hear child support and paternity cases
23 exerts statewide jurisdiction over the par-
24 ties; and

1 “(ii) in a State in which orders are is-
2 sued by courts or administrative tribunals,
3 a case may be transferred between local ju-
4 risdictions in the State without need for
5 any additional filing by the petitioner, or
6 service of process upon the respondent, to
7 retain jurisdiction over the parties.

8 “(3) COORDINATION WITH ERISA.—Notwith-
9 standing subsection (d) of section 514 of the Em-
10 ployee Retirement Income Security Act of 1974 (re-
11 lating to effect on other laws), nothing in this sub-
12 section shall be construed to alter, amend, modify,
13 invalidate, impair, or supersede subsections (a), (b),
14 and (c) of such section 514 as it applies with respect
15 to any procedure referred to in paragraph (1) and
16 any expedited procedure referred to in paragraph
17 (2), except to the extent that such procedure would
18 be consistent with the requirements of section
19 206(d)(3) of such Act (relating to qualified domestic
20 relations orders) or the requirements of section
21 609(a) of such Act (relating to qualified medical
22 child support orders) if the reference in such section
23 206(d)(3) to a domestic relations order and the ref-
24 erence in such section 609(a) to a medical child sup-
25 port order were a reference to a support order re-

1 ferred to in paragraphs (1) and (2) relating to the
2 same matters, respectively.”.

3 (b) **AUTOMATION OF STATE AGENCY FUNCTIONS.**—
4 Section 454A, as added by section 144(a)(2) and as
5 amended by sections 111 and 112(e) of this Act, is
6 amended by adding at the end the following new sub-
7 section:

8 “(h) **EXPEDITED ADMINISTRATIVE PROCEDURES.**—
9 The automated system required by this section shall be
10 used, to the maximum extent feasible, to implement the
11 expedited administrative procedures required by section
12 466(e).”.

13 **Subtitle D—Paternity** 14 **Establishment**

15 **SEC. 131. STATE LAWS CONCERNING PATERNITY ESTAB-**
16 **LISHMENT.**

17 (a) **STATE LAWS REQUIRED.**—Section 466(a)(5) (42
18 U.S.C. 666(a)(5)) is amended to read as follows:

19 “(5) **PROCEDURES CONCERNING PATERNITY ES-**
20 **TABLISHMENT.**—

21 “(A) **ESTABLISHMENT PROCESS AVAIL-**
22 **ABLE FROM BIRTH UNTIL AGE 18.**—

23 “(i) Procedures which permit the es-
24 tablishment of the paternity of a child at

1 any time before the child attains 18 years
2 of age.

3 “(ii) As of August 16, 1984, clause (i)
4 shall also apply to a child for whom pater-
5 nity has not been established or for whom
6 a paternity action was brought but dis-
7 missed because a statute of limitations of
8 less than 18 years was then in effect in the
9 State.

10 “(B) PROCEDURES CONCERNING GENETIC
11 TESTING.—

12 “(i) GENETIC TESTING REQUIRED IN
13 CERTAIN CONTESTED CASES.—Procedures
14 under which the State is required, in a
15 contested paternity case (unless otherwise
16 barred by State law) to require the child
17 and all other parties (other than individ-
18 uals found under section 454(29) to have
19 good cause for refusing to cooperate) to
20 submit to genetic tests upon the request of
21 any such party, if the request is supported
22 by a sworn statement by the party—

23 “(I) alleging paternity, and set-
24 ting forth facts establishing a reason-

1 able possibility of the requisite sexual
2 contact between the parties; or

3 “(II) denying paternity, and set-
4 ting forth facts establishing a reason-
5 able possibility of the nonexistence of
6 sexual contact between the parties.

7 “(ii) OTHER REQUIREMENTS.—Proce-
8 dures which require the State agency, in
9 any case in which the agency orders ge-
10 netic testing—

11 “(I) to pay costs of such tests,
12 subject to recoupment (if the State so
13 elects) from the alleged father if pa-
14 ternity is established; and

15 “(II) to obtain additional testing
16 in any case if an original test result is
17 contested, upon request and advance
18 payment by the contestant.

19 “(C) VOLUNTARY PATERNITY ACKNOWLED-
20 EDGMENT.—

21 “(i) SIMPLE CIVIL PROCESS.—Proce-
22 dures for a simple civil process for volun-
23 tarily acknowledging paternity under which
24 the State must provide that, before a
25 mother and a putative father can sign an

1 acknowledgment of paternity, the mother
2 and the putative father must be given no-
3 tice, orally and in writing, of the alter-
4 natives to, the legal consequences of, and
5 the rights (including, if 1 parent is a
6 minor, any rights afforded due to minority
7 status) and responsibilities that arise from,
8 signing the acknowledgment.

9 “(ii) HOSPITAL-BASED PROGRAM.—
10 Such procedures must include a hospital-
11 based program for the voluntary acknowl-
12 edgment of paternity focusing on the pe-
13 riod immediately before or after the birth
14 of a child, subject to such good cause ex-
15 ceptions, taking into account the best in-
16 terests of the child, as the State may es-
17 tablish.

18 “(iii) PATERNITY ESTABLISHMENT
19 SERVICES.—

20 “(I) STATE-OFFERED SERV-
21 ICES.—Such procedures must require
22 the State agency responsible for main-
23 taining birth records to offer vol-
24 untary paternity establishment serv-
25 ices.

1 “(II) REGULATIONS.—

2 “(aa) SERVICES OFFERED
3 BY HOSPITALS AND BIRTH
4 RECORD AGENCIES.—The Sec-
5 retary shall prescribe regulations
6 governing voluntary paternity es-
7 tablishment services offered by
8 hospitals and birth record agen-
9 cies.

10 “(bb) SERVICES OFFERED
11 BY OTHER ENTITIES.—The Sec-
12 retary shall prescribe regulations
13 specifying the types of other enti-
14 ties that may offer voluntary pa-
15 ternity establishment services,
16 and governing the provision of
17 such services, which shall include
18 a requirement that such an entity
19 must use the same notice provi-
20 sions used by, use the same ma-
21 terials used by, provide the per-
22 sonnel providing such services
23 with the same training provided
24 by, and evaluate the provision of
25 such services in the same manner

1 as the provision of such services
2 is evaluated by, voluntary pater-
3 nity establishment programs of
4 hospitals and birth record agen-
5 cies.

6 “(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures
7 must require the State to develop and use
8 an affidavit for the voluntary acknowledg-
9 ment of paternity which includes the mini-
10 mum requirements of the affidavit devel-
11 oped by the Secretary under section
12 452(a)(7) for the voluntary acknowledg-
13 ment of paternity, and to give full faith
14 and credit to such an affidavit signed in
15 any other State according to its proce-
16 dures.

17 “(D) STATUS OF SIGNED PATERNITY AC-
18 KNOWLEDGMENT.—

19 “(i) INCLUSION IN BIRTH RECORDS.—
20 Procedures under which the name of the
21 father shall be included on the record of
22 birth of the child of unmarried parents
23 only if—
24

1 “(I) the father and mother have
2 signed a voluntary acknowledgment of
3 paternity; or

4 “(II) a court or an administrative
5 agency of competent jurisdiction has
6 issued an adjudication of paternity.

7 Nothing in this clause shall preclude a
8 State agency from obtaining an admission
9 of paternity from the father for submission
10 in a judicial or administrative proceeding,
11 or prohibit the issuance of an order in a
12 judicial or administrative proceeding which
13 bases a legal finding of paternity on an ad-
14 mission of paternity by the father and any
15 other additional showing required by State
16 law.

17 “(ii) LEGAL FINDING OF PATER-
18 NITY.—Procedures under which a signed
19 voluntary acknowledgment of paternity is
20 considered a legal finding of paternity,
21 subject to the right of any signatory to re-
22 scind the acknowledgment within the ear-
23 lier of—

24 “(I) 60 days; or

1 “(II) the date of an administra-
2 tive or judicial proceeding relating to
3 the child (including a proceeding to
4 establish a support order) in which
5 the signatory is a party.

6 “(iii) CONTEST.—Procedures under
7 which, after the 60-day period referred to
8 in clause (ii), a signed voluntary acknowl-
9 edgment of paternity may be challenged in
10 court only on the basis of fraud, duress, or
11 material mistake of fact, with the burden
12 of proof upon the challenger, and under
13 which the legal responsibilities (including
14 child support obligations) of any signatory
15 arising from the acknowledgment may not
16 be suspended during the challenge, except
17 for good cause shown.

18 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
19 CATION PROCEEDINGS.—Procedures under
20 which judicial or administrative proceedings are
21 not required or permitted to ratify an unchal-
22 lenged acknowledgment of paternity.

23 “(F) ADMISSIBILITY OF GENETIC TESTING
24 RESULTS.—Procedures—

1 “(i) requiring the admission into evi-
2 dence, for purposes of establishing pater-
3 nity, of the results of any genetic test that
4 is—

5 “(I) of a type generally acknowl-
6 edged as reliable by accreditation bod-
7 ies designated by the Secretary; and

8 “(II) performed by a laboratory
9 approved by such an accreditation
10 body;

11 “(ii) requiring an objection to genetic
12 testing results to be made in writing not
13 later than a specified number of days be-
14 fore any hearing at which the results may
15 be introduced into evidence (or, at State
16 option, not later than a specified number
17 of days after receipt of the results); and

18 “(iii) making the test results admissi-
19 ble as evidence of paternity without the
20 need for foundation testimony or other
21 proof of authenticity or accuracy, unless
22 objection is made.

23 “(G) PRESUMPTION OF PATERNITY IN
24 CERTAIN CASES.—Procedures which create a re-
25 buttable or, at the option of the State, conclu-

1 sive presumption of paternity upon genetic test-
2 ing results indicating a threshold probability
3 that the alleged father is the father of the child.

4 “(H) DEFAULT ORDERS.—Procedures re-
5 quiring a default order to be entered in a pater-
6 nity case upon a showing of service of process
7 on the defendant and any additional showing
8 required by State law.

9 “(I) NO RIGHT TO JURY TRIAL.—Proce-
10 dures providing that the parties to an action to
11 establish paternity are not entitled to a trial by
12 jury.

13 “(J) TEMPORARY SUPPORT ORDER BASED
14 ON PROBABLE PATERNITY IN CONTESTED
15 CASES.—Procedures which require that a tem-
16 porary order be issued, upon motion by a party,
17 requiring the provision of child support pending
18 an administrative or judicial determination of
19 parentage, if there is clear and convincing evi-
20 dence of paternity (on the basis of genetic tests
21 or other evidence).

22 “(K) PROOF OF CERTAIN SUPPORT AND
23 PATERNITY ESTABLISHMENT COSTS.—Proce-
24 dures under which bills for pregnancy, child-
25 birth, and genetic testing are admissible as evi-

1 dence without requiring third-party foundation
2 testimony, and shall constitute prima facie evi-
3 dence of amounts incurred for such services or
4 for testing on behalf of the child.

5 “(L) STANDING OF PUTATIVE FATHERS.—
6 Procedures ensuring that the putative father
7 has a reasonable opportunity to initiate a pater-
8 nity action.

9 “(M) FILING OF ACKNOWLEDGMENTS AND
10 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
11 RECORDS.—Procedures under which voluntary
12 acknowledgments and adjudications of paternity
13 by judicial or administrative processes are filed
14 with the State registry of birth records for com-
15 parison with information in the State case reg-
16 istry.”.

17 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
18 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
19 amended by inserting “, and develop an affidavit to be
20 used for the voluntary acknowledgment of paternity which
21 shall include the social security number of each parent
22 and, after consultation with the States, other common ele-
23 ments as determined by such designee” before the semi-
24 colon.

1 (c) CONFORMING AMENDMENT.—Section 468 (42
2 U.S.C. 668) is amended by striking “a simple civil process
3 for voluntarily acknowledging paternity and”.

4 **SEC. 132. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
5 **LISHMENT.**

6 Section 454(23) (42 U.S.C. 654(23)) is amended by
7 inserting “and will publicize the availability and encourage
8 the use of procedures for voluntary establishment of pater-
9 nity and child support by means the State deems appro-
10 priate” before the semicolon.

11 **SEC. 133. COOPERATION BY APPLICANTS FOR AND RECIPI-**
12 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

13 Section 454 (42 U.S.C. 654), as amended by sections
14 101(b), 103(a), 112(a), and 113(a) of this Act, is amend-
15 ed—

16 (1) by striking “and” at the end of paragraph
17 (27);

18 (2) by striking the period at the end of para-
19 graph (28) and inserting “; and”; and

20 (3) by inserting after paragraph (28) the fol-
21 lowing new paragraph:

22 “(29) provide that the State agency responsible
23 for administering the State plan—

24 “(A) shall make the determination (and re-
25 determination at appropriate intervals) as to

1 whether an individual who has applied for or is
2 receiving assistance under the State program
3 funded under part A or the State program
4 under title XIX is cooperating in good faith
5 with the State in establishing the paternity of,
6 or in establishing, modifying, or enforcing a
7 support order for, any child of the individual by
8 providing the State agency with the name of,
9 and such other information as the State agency
10 may require with respect to, the noncustodial
11 parent of the child, subject to such good cause
12 exceptions, taking into account the best inter-
13 ests of the child, as the State may establish
14 through the State agency, or at the option of
15 the State, through the State agencies admin-
16 istering the State programs funded under part
17 A and title XIX;

18 “(B) shall require the individual to supply
19 additional necessary information and appear at
20 interviews, hearings, and legal proceedings;

21 “(C) shall require the individual and the
22 child to submit to genetic tests pursuant to ju-
23 dicial or administrative order;

24 “(D) may request that the individual sign
25 a voluntary acknowledgment of paternity, after

1 notice of the rights and consequences of such
2 an acknowledgment, but may not require the in-
3 dividual to sign an acknowledgment or other-
4 wise relinquish the right to genetic tests as a
5 condition of cooperation and eligibility for as-
6 sistance under the State program funded under
7 part A or the State program under title XIX;
8 and

9 “(E) shall promptly notify the individual
10 and the State agency administering the State
11 program funded under part A and the State
12 agency administering the State program under
13 title XIX of each such determination, and if
14 noncooperation is determined, the basis there-
15 for.”.

16 **Subtitle E—Program**

17 **Administration and Funding**

18 **SEC. 141. PERFORMANCE-BASED INCENTIVES AND PEN-**

19 **ALTIES.**

20 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-
21 retary of Health and Human Services, in consultation with
22 State directors of programs under part D of title IV of
23 the Social Security Act, shall develop a new incentive sys-
24 tem to replace, in a revenue neutral manner, the system
25 under section 458 of such Act. The new system shall pro-

1 vide additional payments to any State based on such
2 State's performance under such a program. Not later than
3 June 1, 1996, the Secretary shall report on the new sys-
4 tem to the Committee on Ways and Means of the House
5 of Representatives and the Committee on Finance of the
6 Senate.

7 (b) CONFORMING AMENDMENTS TO PRESENT SYS-
8 TEM.—Section 458 (42 U.S.C. 658) is amended—

9 (1) in subsections (b) and (c)—

10 (A) by striking “AFDC collections” each
11 place it appears and inserting “title IV–A col-
12 lections”, and

13 (B) by striking “non-AFDC collections”
14 each place it appears and inserting “non-title
15 IV–A collections”; and

16 (2) in subsection (c), by striking “combined
17 AFDC/non-AFDC administrative costs” both places
18 it appears and inserting “combined title IV–A/non-
19 title IV–A administrative costs”.

20 (c) CALCULATION OF IV–D PATERNITY ESTABLISH-
21 MENT PERCENTAGE.—

22 (1) Section 452(g)(1)(A) (42 U.S.C.
23 652(g)(1)(A)) is amended by striking “75” and in-
24 serting “90”.

1 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
2 amended by redesignating subparagraphs (B)
3 through (E) as subparagraphs (C) through (F), re-
4 spectively, and by inserting after subparagraph (A)
5 the following new subparagraph:

6 “(B) for a State with a paternity establish-
7 ment percentage of not less than 75 percent but
8 less than 90 percent for such fiscal year, the
9 paternity establishment percentage of the State
10 for the immediately preceding fiscal year plus 2
11 percentage points;”.

12 (3) Section 452(g)(2)(A) (42 U.S.C.
13 652(g)(2)(A)) is amended in the matter preceding
14 clause (i)—

15 (A) by striking “paternity establishment
16 percentage” and inserting “IV–D paternity es-
17 tablishment percentage”; and

18 (B) by striking “(or all States, as the case
19 may be)”.

20 (4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
21 amended by adding at the end the following new
22 sentence: “In meeting the 90 percent paternity es-
23 tablishment requirement, a State may calculate ei-
24 ther the paternity establishment rate of cases in the
25 program funded under this part or the paternity es-

1 tabishment rate of all out-of-wedlock births in the
2 State.”.

3 (5) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
4 amended—

5 (A) by striking subparagraph (A) and re-
6 designating subparagraphs (B) and (C) as sub-
7 paragraphs (A) and (B), respectively;

8 (B) in subparagraph (A) (as so redesign-
9 ated), by striking “the percentage of children
10 born out-of-wedlock in a State” and inserting
11 “the percentage of children in a State who are
12 born out of wedlock or for whom support has
13 not been established”; and

14 (C) in subparagraph (B) (as so redesign-
15 ated) by inserting “and securing support” be-
16 fore the period.

17 (d) EFFECTIVE DATES.—

18 (1) INCENTIVE ADJUSTMENTS.—

19 (A) IN GENERAL.—The system developed under
20 subsection (a) and the amendments made by sub-
21 section (b) shall become effective on October 1,
22 1997, except to the extent provided in subparagraph
23 (B).

24 (B) APPLICATION OF SECTION 458.—Section
25 458 of the Social Security Act, as in effect on the

1 day before the date of the enactment of this section,
2 shall be effective for purposes of incentive payments
3 to States for fiscal years before fiscal year 1999.

4 (2) PENALTY REDUCTIONS.—The amendments
5 made by subsection (c) shall become effective with
6 respect to calendar quarters beginning on or after
7 the date of the enactment of this Act.

8 **SEC. 142. FEDERAL AND STATE REVIEWS AND AUDITS.**

9 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
10 U.S.C. 654) is amended—

11 (1) in paragraph (14), by striking “(14)” and
12 inserting “(14)(A)”;

13 (2) by redesignating paragraph (15) as sub-
14 paragraph (B) of paragraph (14); and

15 (3) by inserting after paragraph (14) the fol-
16 lowing new paragraph:

17 “(15) provide for—

18 “(A) a process for annual reviews of and
19 reports to the Secretary on the State program
20 operated under the State plan approved under
21 this part, including such information as may be
22 necessary to measure State compliance with
23 Federal requirements for expedited procedures,
24 using such standards and procedures as are re-
25 quired by the Secretary, under which the State

1 agency will determine the extent to which the
2 program is operated in compliance with this
3 part; and

4 “(B) a process of extracting from the auto-
5 mated data processing system required by para-
6 graph (16) and transmitting to the Secretary
7 data and calculations concerning the levels of
8 accomplishment (and rates of improvement)
9 with respect to applicable performance indica-
10 tors (including IV–D paternity establishment
11 percentages to the extent necessary for pur-
12 poses of sections 452(g) and 458.”.

13 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
14 U.S.C. 652(a)(4)) is amended to read as follows:

15 “(4)(A) review data and calculations transmit-
16 ted by State agencies pursuant to section
17 454(15)(B) on State program accomplishments with
18 respect to performance indicators for purposes of
19 subsection (g) of this section and section 458;

20 “(B) review annual reports submitted pursuant
21 to section 454(15)(A) and, as appropriate, provide
22 to the State comments, recommendations for addi-
23 tional or alternative corrective actions, and technical
24 assistance; and

1 “(C) conduct audits, in accordance with the
2 Government auditing standards of the Comptroller
3 General of the United States—

4 “(i) at least once every 3 years (or more
5 frequently, in the case of a State which fails to
6 meet the requirements of this part concerning
7 performance standards and reliability of pro-
8 gram data) to assess the completeness, reliabil-
9 ity, and security of the data, and the accuracy
10 of the reporting systems, used in calculating
11 performance indicators under subsection (g) of
12 this section and section 458;

13 “(ii) of the adequacy of financial manage-
14 ment of the State program operated under the
15 State plan approved under this part, including
16 assessments of—

17 “(I) whether Federal and other funds
18 made available to carry out the State pro-
19 gram are being appropriately expended,
20 and are properly and fully accounted for;
21 and

22 “(II) whether collections and disburse-
23 ments of support payments are carried out
24 correctly and are fully accounted for; and

1 “(iii) for such other purposes as the Sec-
2 retary may find necessary;”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall be effective with respect to calendar
5 quarters beginning 12 months or more after the date of
6 the enactment of this Act.

7 **SEC. 143. REQUIRED REPORTING PROCEDURES.**

8 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
9 652(a)(5)) is amended by inserting “, and establish proce-
10 dures to be followed by States for collecting and reporting
11 information required to be provided under this part, and
12 establish uniform definitions (including those necessary to
13 enable the measurement of State compliance with the re-
14 quirements of this part relating to expedited processes) to
15 be applied in following such procedures” before the semi-
16 colon.

17 (b) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by sections 101(b), 103(a),
19 112(a), 113(a), and 133 of this Act, is amended—

20 (1) by striking “and” at the end of paragraph
21 (28);

22 (2) by striking the period at the end of para-
23 graph (29) and inserting “; and”; and

24 (3) by adding after paragraph (29) the follow-
25 ing new paragraph:

1 “(30) provide that the State shall use the defi-
2 nitions established under section 452(a)(5) in col-
3 lecting and reporting information as required under
4 this part.”.

5 **SEC. 144. AUTOMATED DATA PROCESSING REQUIREMENTS.**

6 (a) REVISED REQUIREMENTS.—

7 (1) IN GENERAL.—Section 454(16) (42 U.S.C.
8 654(16)) is amended—

9 (A) by striking “, at the option of the
10 State,”;

11 (B) by inserting “and operation by the
12 State agency” after “for the establishment”;

13 (C) by inserting “meeting the requirements
14 of section 454A” after “information retrieval
15 system”;

16 (D) by striking “in the State and localities
17 thereof, so as (A)” and inserting “so as”;

18 (E) by striking “(i)”; and

19 (F) by striking “(including” and all that
20 follows and inserting a semicolon.

21 (2) AUTOMATED DATA PROCESSING.—Part D of
22 title IV (42 U.S.C. 651–669) is amended by insert-
23 ing after section 454 the following new section:

1 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

2 “(a) IN GENERAL.—In order for a State to meet the
3 requirements of this section, the State agency administer-
4 ing the State program under this part shall have in oper-
5 ation a single statewide automated data processing and
6 information retrieval system which has the capability to
7 perform the tasks specified in this section with the fre-
8 quency and in the manner required by or under this part.

9 “(b) PROGRAM MANAGEMENT.—The automated sys-
10 tem required by this section shall perform such functions
11 as the Secretary may specify relating to management of
12 the State program under this part, including—

13 “(1) controlling and accounting for use of Fed-
14 eral, State, and local funds in carrying out the pro-
15 gram; and

16 “(2) maintaining the data necessary to meet
17 Federal reporting requirements under this part on a
18 timely basis.

19 “(c) CALCULATION OF PERFORMANCE INDICA-
20 TORS.—In order to enable the Secretary to determine the
21 incentive payments and penalty adjustments required by
22 sections 452(g) and 458, the State agency shall—

23 “(1) use the automated system—

24 “(A) to maintain the requisite data on
25 State performance with respect to paternity es-

1 tabishment and child support enforcement in
2 the State; and

3 “(B) to calculate the IV–D paternity es-
4 tablishment percentage for the State for each
5 fiscal year; and

6 “(2) have in place systems controls to ensure
7 the completeness and reliability of, and ready access
8 to, the data described in paragraph (1)(A), and the
9 accuracy of the calculations described in paragraph
10 (1)(B).

11 “(d) INFORMATION INTEGRITY AND SECURITY.—The
12 State agency shall have in effect safeguards on the integ-
13 rity, accuracy, and completeness of, access to, and use of
14 data in the automated system required by this section,
15 which shall include the following (in addition to such other
16 safeguards as the Secretary may specify in regulations):

17 “(1) POLICIES RESTRICTING ACCESS.—Written
18 policies concerning access to data by State agency
19 personnel, and sharing of data with other persons,
20 which—

21 “(A) permit access to and use of data only
22 to the extent necessary to carry out the State
23 program under this part; and

1 “(B) specify the data which may be used
2 for particular program purposes, and the per-
3 sonnel permitted access to such data.

4 “(2) SYSTEMS CONTROLS.—Systems controls
5 (such as passwords or blocking of fields) to ensure
6 strict adherence to the policies described in para-
7 graph (1).

8 “(3) MONITORING OF ACCESS.—Routine mon-
9 itoring of access to and use of the automated sys-
10 tem, through methods such as audit trails and feed-
11 back mechanisms, to guard against and promptly
12 identify unauthorized access or use.

13 “(4) TRAINING AND INFORMATION.—Proce-
14 dures to ensure that all personnel (including State
15 and local agency staff and contractors) who may
16 have access to or be required to use confidential pro-
17 gram data are informed of applicable requirements
18 and penalties (including those in section 6103 of the
19 Internal Revenue Code of 1986), and are adequately
20 trained in security procedures.

21 “(5) PENALTIES.—Administrative penalties (up
22 to and including dismissal from employment) for un-
23 authorized access to, or disclosure or use of, con-
24 fidential data.”.

1 (3) REGULATIONS.—The Secretary of Health
2 and Human Services shall prescribe final regulations
3 for implementation of section 454A of the Social Se-
4 curity Act not later than 2 years after the date of
5 the enactment of this Act.

6 (4) IMPLEMENTATION TIMETABLE.—Section
7 454(24) (42 U.S.C. 654(24)), as amended by section
8 103(a)(1) of this Act, is amended to read as follows:

9 “(24) provide that the State will have in effect
10 an automated data processing and information re-
11 trieval system—

12 “(A) by October 1, 1997, which meets all
13 requirements of this part which were enacted on
14 or before the date of enactment of the Family
15 Support Act of 1988, and

16 “(B) by October 1, 1999, which meets all
17 requirements of this part enacted on or before
18 the date of the enactment of the Child Support
19 Enforcement Reform Amendments of 1996, ex-
20 cept that such deadline shall be extended by 1
21 day for each day (if any) by which the Sec-
22 retary fails to meet the deadline imposed by
23 section 144(a)(3) of the Child Support Enforce-
24 ment Reform Amendments of 1996;”.

1 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
2 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

3 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
4 655(a)) is amended—

5 (A) in paragraph (1)(B)—

6 (i) by striking “90 percent” and in-
7 serting “the percent specified in paragraph
8 (3)”;

9 (ii) by striking “so much of”; and

10 (iii) by striking “which the Secretary”

11 and all that follows and inserting “, and”;

12 and

13 (B) by adding at the end the following new
14 paragraph:

15 “(3)(A) The Secretary shall pay to each State, for
16 each quarter in fiscal years 1996 and 1997, 90 percent
17 of so much of the State expenditures described in para-
18 graph (1)(B) as the Secretary finds are for a system meet-
19 ing the requirements specified in section 454(16) (as in
20 effect on September 30, 1995) but limited to the amount
21 approved for States in the advance planning documents
22 of such States submitted on or before May 1, 1995.

23 “(B)(i) The Secretary shall pay to each State, for
24 each quarter in fiscal years 1996 through 2001, the per-
25 centage specified in clause (ii) of so much of the State

1 expenditures described in paragraph (1)(B) as the Sec-
2 retary finds are for a system meeting the requirements
3 of sections 454(16) and 454A.

4 “(ii) The percentage specified in this clause is 80 per-
5 cent.”.

6 (2) TEMPORARY LIMITATION ON PAYMENTS
7 UNDER SPECIAL FEDERAL MATCHING RATE.—

8 (A) IN GENERAL.—The Secretary of
9 Health and Human Services may not pay more
10 than \$400,000,000 in the aggregate under sec-
11 tion 455(a)(3)(B) of the Social Security Act for
12 fiscal years 1996 through 2001.

13 (B) ALLOCATION OF LIMITATION AMONG
14 STATES.—The total amount payable to a State
15 under section 455(a)(3)(B) of such Act for fis-
16 cal years 1996 through 2001 shall not exceed
17 the limitation determined for the State by the
18 Secretary of Health and Human Services in
19 regulations.

20 (C) ALLOCATION FORMULA.—The regula-
21 tions referred to in subparagraph (B) shall pre-
22 scribe a formula for allocating the amount spec-
23 ified in subparagraph (A) among States with
24 plans approved under part D of title IV of the

1 Social Security Act, which shall take into ac-
2 count—

3 (i) the relative size of State caseloads
4 under such part; and

5 (ii) the level of automation needed to
6 meet the automated data processing re-
7 quirements of such part.

8 (c) CONFORMING AMENDMENT.—Section 123(c) of
9 the Family Support Act of 1988 (102 Stat. 2352; Public
10 Law 100–485) is repealed.

11 **SEC. 145. TECHNICAL ASSISTANCE.**

12 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
13 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
14 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
15 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
16 ing at the end the following new subsection:

17 “(j) Out of any money in the Treasury of the United
18 States not otherwise appropriated, there is hereby appro-
19 priated to the Secretary for each fiscal year an amount
20 equal to 1 percent of the total amount paid to the Federal
21 Government pursuant to section 457(a) during the imme-
22 diately preceding fiscal year (as determined on the basis
23 of the most recent reliable data available to the Secretary
24 as of the end of the 3rd calendar quarter following the

1 end of such preceding fiscal year), to cover costs incurred
2 by the Secretary for—

3 “(1) information dissemination and technical
4 assistance to States, training of State and Federal
5 staff, staffing studies, and related activities needed
6 to improve programs under this part (including tech-
7 nical assistance concerning State automated systems
8 required by this part); and

9 “(2) research, demonstration, and special
10 projects of regional or national significance relating
11 to the operation of State programs under this part.

12 The amount appropriated under this subsection shall re-
13 main available until expended.”.

14 (b) OPERATION OF FEDERAL PARENT LOCATOR
15 SERVICE.—Section 453 (42 U.S.C. 653), as amended by
16 section 116 of this Act, is amended by adding at the end
17 the following new subsection:

18 “(o) RECOVERY OF COSTS.—Out of any money in the
19 Treasury of the United States not otherwise appropriated,
20 there is hereby appropriated to the Secretary for each fis-
21 cal year an amount equal to 2 percent of the total amount
22 paid to the Federal Government pursuant to section
23 457(a) during the immediately preceding fiscal year (as
24 determined on the basis of the most recent reliable data
25 available to the Secretary as of the end of the 3rd calendar

1 quarter following the end of such preceding fiscal year),
2 to cover costs incurred by the Secretary for operation of
3 the Federal Parent Locator Service under this section, to
4 the extent such costs are not recovered through user
5 fees.”.

6 **SEC. 146. REPORTS AND DATA COLLECTION BY THE SEC-**
7 **RETARY.**

8 (a) ANNUAL REPORT TO CONGRESS.—

9 (1) Section 452(a)(10)(A) (42 U.S.C.
10 652(a)(10)(A)) is amended—

11 (A) by striking “this part;” and inserting
12 “this part, including—”; and

13 (B) by adding at the end the following new
14 clauses:

15 “(i) the total amount of child support
16 payments collected as a result of services
17 furnished during the fiscal year to individ-
18 uals receiving services under this part;

19 “(ii) the cost to the States and to the
20 Federal Government of so furnishing the
21 services; and

22 “(iii) the number of cases involving
23 families—

24 “(I) who became ineligible for as-
25 sistance under State programs funded

1 under part A during a month in the
2 fiscal year; and

3 “(II) with respect to whom a
4 child support payment was received in
5 the month;”.

6 (2) Section 452(a)(10)(C) (42 U.S.C.
7 652(a)(10)(C)) is amended—

8 (A) in the matter preceding clause (i)—

9 (i) by striking “with the data required
10 under each clause being separately stated
11 for cases” and inserting “separately stated
12 for (1) cases”;

13 (ii) by striking “cases where the child
14 was formerly receiving” and inserting “or
15 formerly received”;

16 (iii) by inserting “or 1912” after
17 “471(a)(17)”; and

18 (iv) by inserting “(2)” before “all
19 other”;

20 (B) in each of clauses (i) and (ii), by strik-
21 ing “, and the total amount of such obliga-
22 tions”;

23 (C) in clause (iii), by striking “described
24 in” and all that follows and inserting “in which
25 support was collected during the fiscal year;”;

1 (D) by striking clause (iv); and

2 (E) by redesignating clause (v) as clause
3 (vii), and inserting after clause (iii) the follow-
4 ing new clauses:

5 “(iv) the total amount of support col-
6 lected during such fiscal year and distrib-
7 uted as current support;

8 “(v) the total amount of support col-
9 lected during such fiscal year and distrib-
10 uted as arrearages;

11 “(vi) the total amount of support due
12 and unpaid for all fiscal years; and”.

13 (3) Section 452(a)(10)(G) (42 U.S.C.
14 652(a)(10)(G)) is amended by striking “on the use
15 of Federal courts and”.

16 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
17 is amended—

18 (A) in subparagraph (H), by striking
19 “and”;

20 (B) in subparagraph (I), by striking the
21 period and inserting “; and”; and

22 (C) by inserting after subparagraph (I) the
23 following new subparagraph:

1 “(J) compliance, by State, with the stand-
2 ards established pursuant to subsections (h)
3 and (i).”.

4 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))
5 is amended by striking all that follows subparagraph
6 (J), as added by paragraph (4).

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall be effective with respect to fiscal year
9 1996 and succeeding fiscal years.

10 **Subtitle F—Establishment and** 11 **Modification of Support Orders**

12 **SEC. 151. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-** 13 **MENT OF CHILD SUPPORT ORDERS.**

14 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
15 ed to read as follows:

16 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
17 ORDERS UPON REQUEST.—Procedures under which
18 the State shall review and adjust each support order
19 being enforced under this part upon the request of
20 either parent or the State if there is an assignment.

21 Such procedures shall provide the following:

22 “(A) IN GENERAL.—

23 “(i) 3-YEAR CYCLE.—Except as pro-
24 vided in subparagraphs (B) and (C), the
25 State shall review and, as appropriate, ad-

1 just the support order every 3 years, tak-
2 ing into account the best interests of the
3 child involved.

4 “(ii) METHODS OF ADJUSTMENT.—
5 The State may elect to review and, if ap-
6 propriate, adjust an order pursuant to
7 clause (i) by—

8 “(I) reviewing and, if appro-
9 priate, adjusting the order in accord-
10 ance with the guidelines established
11 pursuant to section 467(a) if the
12 amount of the child support award
13 under the order differs from the
14 amount that would be awarded in ac-
15 cordance with the guidelines; or

16 “(II) applying a cost-of-living ad-
17 justment to the order in accordance
18 with a formula developed by the State
19 and permit either party to contest the
20 adjustment, within 30 days after the
21 date of the notice of the adjustment,
22 by making a request for review and, if
23 appropriate, adjustment of the order
24 in accordance with the child support

1 guidelines established pursuant to sec-
2 tion 467(a).

3 “(iii) NO PROOF OF CHANGE IN CIR-
4 CUMSTANCES NECESSARY.—Any adjust-
5 ment under this subparagraph (A) shall be
6 made without a requirement for proof or
7 showing of a change in circumstances.

8 “(B) AUTOMATED METHOD.—The State
9 may use automated methods (including auto-
10 mated comparisons with wage or State income
11 tax data) to identify orders eligible for review,
12 conduct the review, identify orders eligible for
13 adjustment, and apply the appropriate adjust-
14 ment to the orders eligible for adjustment
15 under the threshold established by the State.

16 “(C) REQUEST UPON SUBSTANTIAL
17 CHANGE IN CIRCUMSTANCES.—The State shall,
18 at the request of either parent subject to such
19 an order or of any State child support enforce-
20 ment agency, review and, if appropriate, adjust
21 the order in accordance with the guidelines es-
22 tablished pursuant to section 467(a) based
23 upon a substantial change in the circumstances
24 of either parent.

1 “(D) NOTICE OF RIGHT TO REVIEW.—The
2 State shall provide notice not less than once
3 every 3 years to the parents subject to such an
4 order informing them of their right to request
5 the State to review and, if appropriate, adjust
6 the order pursuant to this paragraph. The no-
7 tice may be included in the order.”.

8 **SEC. 152. FURNISHING CONSUMER REPORTS FOR CERTAIN**
9 **PURPOSES RELATING TO CHILD SUPPORT.**

10 Section 604 of the Fair Credit Reporting Act (15
11 U.S.C. 1681b) is amended by adding at the end the follow-
12 ing new paragraphs:

13 “(4) In response to a request by the head of a
14 State or local child support enforcement agency (or
15 a State or local government official authorized by
16 the head of such an agency), if the person making
17 the request certifies to the consumer reporting agen-
18 cy that—

19 “(A) the consumer report is needed for the
20 purpose of establishing an individual’s capacity
21 to make child support payments or determining
22 the appropriate level of such payments;

23 “(B) the paternity of the consumer for the
24 child to which the obligation relates has been
25 established or acknowledged by the consumer in

1 accordance with State laws under which the ob-
2 ligation arises (if required by those laws);

3 “(C) the person has provided at least 10
4 days’ prior notice to the consumer whose report
5 is requested, by certified or registered mail to
6 the last known address of the consumer, that
7 the report will be requested; and

8 “(D) the consumer report will be kept con-
9 fidential, will be used solely for a purpose de-
10 scribed in subparagraph (A), and will not be
11 used in connection with any other civil, admin-
12 istrative, or criminal proceeding, or for any
13 other purpose.

14 “(5) To an agency administering a State plan
15 under section 454 of the Social Security Act (42
16 U.S.C. 654) for use to set an initial or modified
17 child support award.”.

18 **SEC. 153. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
19 **PROVIDING FINANCIAL RECORDS TO STATE**
20 **CHILD SUPPORT ENFORCEMENT AGENCIES**
21 **IN CHILD SUPPORT CASES.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of Federal or State law, a financial institution shall
24 not be liable under any Federal or State law to any person
25 for disclosing any financial record of an individual to a

1 State child support enforcement agency attempting to es-
2 tablish, modify, or enforce a child support obligation of
3 such individual.

4 (b) PROHIBITION OF DISCLOSURE OF FINANCIAL
5 RECORD OBTAINED BY STATE CHILD SUPPORT EN-
6 FORCEMENT AGENCY.—A State child support enforcement
7 agency which obtains a financial record of an individual
8 from a financial institution pursuant to subsection (a)
9 may disclose such financial record only for the purpose
10 of, and to the extent necessary in, establishing, modifying,
11 or enforcing a child support obligation of such individual.

12 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
13 SURE.—

14 (1) DISCLOSURE BY STATE OFFICER OR EM-
15 PLOYEE.—If any person knowingly, or by reason of
16 negligence, discloses a financial record of an individ-
17 ual in violation of subsection (b), such individual
18 may bring a civil action for damages against such
19 person in a district court of the United States.

20 (2) NO LIABILITY FOR GOOD FAITH BUT ERRO-
21 NEOUS INTERPRETATION.—No liability shall arise
22 under this subsection with respect to any disclosure
23 which results from a good faith, but erroneous, in-
24 terpretation of subsection (b).

1 (3) DAMAGES.—In any action brought under
2 paragraph (1), upon a finding of liability on the part
3 of the defendant, the defendant shall be liable to the
4 plaintiff in an amount equal to the sum of—

5 (A) the greater of—

6 (i) \$1,000 for each act of unauthor-
7 ized disclosure of a financial record with
8 respect to which such defendant is found
9 liable; or

10 (ii) the sum of—

11 (I) the actual damages sustained
12 by the plaintiff as a result of such un-
13 authorized disclosure; plus

14 (II) in the case of a willful disclo-
15 sure or a disclosure which is the re-
16 sult of gross negligence, punitive dam-
17 ages; plus

18 (B) the costs (including attorney’s fees) of
19 the action.

20 (d) DEFINITIONS.—For purposes of this section—

21 (1) FINANCIAL INSTITUTION.—The term “fi-
22 nancial institution” means—

23 (A) a depository institution, as defined in
24 section 3(c) of the Federal Deposit Insurance
25 Act (12 U.S.C. 1813(c));

1 (B) an institution-affiliated party, as de-
2 fined in section 3(u) of such Act (12 U.S.C.
3 1813(v));

4 (C) any Federal credit union or State cred-
5 it union, as defined in section 101 of the Fed-
6 eral Credit Union Act (12 U.S.C. 1752), includ-
7 ing an institution-affiliated party of such a
8 credit union, as defined in section 206(r) of
9 such Act (12 U.S.C. 1786(r)); and

10 (D) any benefit association, insurance com-
11 pany, safe deposit company, money-market mu-
12 tual fund, or similar entity authorized to do
13 business in the State.

14 (2) FINANCIAL RECORD.—The term “financial
15 record” has the meaning given such term in section
16 1101 of the Right to Financial Privacy Act of 1978
17 (12 U.S.C. 3401).

18 (3) STATE CHILD SUPPORT ENFORCEMENT
19 AGENCY.—The term “State child support enforce-
20 ment agency” means a State agency which admin-
21 isters a State program for establishing and enforcing
22 child support obligations.

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 161. INTERNAL REVENUE SERVICE COLLECTION OF**
4 **ARREARAGES.**

5 (a) **COLLECTION OF FEES.**—Section 6305(a) of the
6 Internal Revenue Code of 1986 (relating to collection of
7 certain liability) is amended—

8 (1) by striking “and” at the end of paragraph
9 (3);

10 (2) by striking the period at the end of para-
11 graph (4) and inserting “, and”;

12 (3) by adding at the end the following new
13 paragraph:

14 “(5) no additional fee may be assessed for ad-
15 justments to an amount previously certified pursu-
16 ant to such section 452(b) with respect to the same
17 obligor.”; and

18 (4) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and in-
20 sserting “Secretary of Health and Human Services”.

21 (b) **EFFECTIVE DATE.**—The amendments made by
22 this section shall become effective October 1, 1997.

1 **SEC. 162. AUTHORITY TO COLLECT SUPPORT FROM FED-**
2 **ERAL EMPLOYEES.**

3 (a) CONSOLIDATION AND STREAMLINING OF AU-
4 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
5 read as follows:

6 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
7 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
8 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
9 **SUPPORT AND ALIMONY OBLIGATIONS.**

10 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
11 withstanding any other provision of law (including section
12 207 of this Act and section 5301 of title 38, United States
13 Code), effective January 1, 1975, moneys (the entitlement
14 to which is based upon remuneration for employment) due
15 from, or payable by, the United States or the District of
16 Columbia (including any agency, subdivision, or instru-
17 mentality thereof) to any individual, including members
18 of the Armed Forces of the United States, shall be subject,
19 in like manner and to the same extent as if the United
20 States or the District of Columbia were a private person,
21 to withholding in accordance with State law enacted pur-
22 suant to subsections (a)(1) and (b) of section 466 and reg-
23 ulations of the Secretary under such subsections, and to
24 any other legal process brought, by a State agency admin-
25 istering a program under a State plan approved under this

1 part or by an individual obligee, to enforce the legal obliga-
2 tion of the individual to provide child support or alimony.

3 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
4 PRIVATE PERSON.—With respect to notice to withhold in-
5 come pursuant to subsection (a)(1) or (b) of section 466,
6 or any other order or process to enforce support obliga-
7 tions against an individual (if the order or process con-
8 tains or is accompanied by sufficient data to permit
9 prompt identification of the individual and the moneys in-
10 volved), each governmental entity specified in subsection
11 (a) shall be subject to the same requirements as would
12 apply if the entity were a private person, except as other-
13 wise provided in this section.

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS—

16 “(1) DESIGNATION OF AGENT.—The head of
17 each agency subject to this section shall—

18 “(A) designate an agent or agents to re-
19 ceive orders and accept service of process in
20 matters relating to child support or alimony;
21 and

22 “(B) annually publish in the Federal Reg-
23 ister the designation of the agent or agents,
24 identified by title or position, mailing address,
25 and telephone number.

1 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
2 agent designated pursuant to paragraph (1) of this
3 subsection receives notice pursuant to State proce-
4 dures in effect pursuant to subsection (a)(1) or (b)
5 of section 466, or is effectively served with any
6 order, process, or interrogatory, with respect to an
7 individual’s child support or alimony payment obli-
8 gations, the agent shall—

9 “(A) as soon as possible (but not later
10 than 15 days) thereafter, send written notice of
11 the notice or service (together with a copy of
12 the notice or service) to the individual at the
13 duty station or last-known home address of the
14 individual;

15 “(B) within 30 days (or such longer period
16 as may be prescribed by applicable State law)
17 after receipt of a notice pursuant to such State
18 procedures, comply with all applicable provi-
19 sions of section 466; and

20 “(C) within 30 days (or such longer period
21 as may be prescribed by applicable State law)
22 after effective service of any other such order,
23 process, or interrogatory, respond to the order,
24 process, or interrogatory.

1 “(d) PRIORITY OF CLAIMS.—If a governmental entity
2 specified in subsection (a) receives notice or is served with
3 process, as provided in this section, concerning amounts
4 owed by an individual to more than 1 person—

5 “(1) support collection under section 466(b)
6 must be given priority over any other process, as
7 provided in section 466(b)(7);

8 “(2) allocation of moneys due or payable to an
9 individual among claimants under section 466(b)
10 shall be governed by section 466(b) and the regula-
11 tions prescribed under such section; and

12 “(3) such moneys as remain after compliance
13 with paragraphs (1) and (2) shall be available to
14 satisfy any other such processes on a first-come,
15 first-served basis, with any such process being satis-
16 fied out of such moneys as remain after the satisfac-
17 tion of all such processes which have been previously
18 served.

19 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
20 governmental entity that is affected by legal process
21 served for the enforcement of an individual’s child support
22 or alimony payment obligations shall not be required to
23 vary its normal pay and disbursement cycle in order to
24 comply with the legal process.

25 “(f) RELIEF FROM LIABILITY.—

1 “(1) Neither the United States, nor the govern-
2 ment of the District of Columbia, nor any disbursing
3 officer shall be liable with respect to any payment
4 made from moneys due or payable from the United
5 States to any individual pursuant to legal process
6 regular on its face, if the payment is made in ac-
7 cordance with this section and the regulations issued
8 to carry out this section.

9 “(2) No Federal employee whose duties include
10 taking actions necessary to comply with the require-
11 ments of subsection (a) with regard to any individ-
12 ual shall be subject under any law to any discipli-
13 nary action or civil or criminal liability or penalty
14 for, or on account of, any disclosure of information
15 made by the employee in connection with the carry-
16 ing out of such actions.

17 “(g) REGULATIONS.—Authority to promulgate regu-
18 lations for the implementation of this section shall, insofar
19 as this section applies to moneys due from (or payable
20 by)—

21 “(1) the United States (other than the legisla-
22 tive or judicial branches of the Federal Government)
23 or the government of the District of Columbia, be
24 vested in the President (or the designee of the Presi-
25 dent);

1 “(2) the legislative branch of the Federal Gov-
2 ernment, be vested jointly in the President pro tem-
3 pore of the Senate and the Speaker of the House of
4 Representatives (or their designees), and

5 “(3) the judicial branch of the Federal Govern-
6 ment, be vested in the Chief Justice of the United
7 States (or the designee of the Chief Justice).

8 “(h) MONEYS SUBJECT TO PROCESS.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 moneys paid or payable to an individual which are
11 considered to be based upon remuneration for em-
12 ployment, for purposes of this section—

13 “(A) consist of—

14 “(i) compensation paid or payable for
15 personal services of the individual, whether
16 the compensation is denominated as wages,
17 salary, commission, bonus, pay, allowances,
18 or otherwise (including severance pay, sick
19 pay, and incentive pay);

20 “(ii) periodic benefits (including a
21 periodic benefit as defined in section
22 228(h)(3)) or other payments—

23 “(I) under the insurance system
24 established by title II;

1 “(II) under any other system or
2 fund established by the United States
3 which provides for the payment of
4 pensions, retirement or retired pay,
5 annuities, dependents’ or survivors’
6 benefits, or similar amounts payable
7 on account of personal services per-
8 formed by the individual or any other
9 individual;

10 “(III) as compensation for death
11 under any Federal program;

12 “(IV) under any Federal pro-
13 gram established to provide ‘black
14 lung’ benefits; or

15 “(V) by the Secretary of Veter-
16 ans Affairs as compensation for a
17 service-connected disability paid by
18 the Secretary to a former member of
19 the Armed Forces who is in receipt of
20 retired or retainer pay if the former
21 member has waived a portion of the
22 retired or retainer pay in order to re-
23 ceive such compensation; and

24 “(iii) worker’s compensation benefits
25 paid under Federal or State law but

1 “(B) do not include any payment—

2 “(i) by way of reimbursement or oth-
3 erwise, to defray expenses incurred by the
4 individual in carrying out duties associated
5 with the employment of the individual; or

6 “(ii) as allowances for members of the
7 uniformed services payable pursuant to
8 chapter 7 of title 37, United States Code,
9 as prescribed by the Secretaries concerned
10 (defined by section 101(5) of such title) as
11 necessary for the efficient performance of
12 duty.

13 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
14 mining the amount of any moneys due from, or pay-
15 able by, the United States to any individual, there
16 shall be excluded amounts which—

17 “(A) are owed by the individual to the
18 United States;

19 “(B) are required by law to be, and are,
20 deducted from the remuneration or other pay-
21 ment involved, including Federal employment
22 taxes, and fines and forfeitures ordered by
23 court-martial;

24 “(C) are properly withheld for Federal,
25 State, or local income tax purposes, if the with-

1 holding of the amounts is authorized or re-
2 quired by law and if amounts withheld are not
3 greater than would be the case if the individual
4 claimed all dependents to which he was entitled
5 (the withholding of additional amounts pursu-
6 ant to section 3402(i) of the Internal Revenue
7 Code of 1986 may be permitted only when the
8 individual presents evidence of a tax obligation
9 which supports the additional withholding);

10 “(D) are deducted as health insurance pre-
11 miums;

12 “(E) are deducted as normal retirement
13 contributions (not including amounts deducted
14 for supplementary coverage); or

15 “(F) are deducted as normal life insurance
16 premiums from salary or other remuneration
17 for employment (not including amounts de-
18 ducted for supplementary coverage).

19 “(i) DEFINITIONS.—For purposes of this section—

20 “(1) UNITED STATES.—The term ‘United
21 States’ includes any department, agency, or instru-
22 mentality of the legislative, judicial, or executive
23 branch of the Federal Government, the United
24 States Postal Service, the Postal Rate Commission,
25 any Federal corporation created by an Act of Con-

1 gress that is wholly owned by the Federal Govern-
2 ment, and the governments of the territories and
3 possessions of the United States.

4 “(2) CHILD SUPPORT.—The term ‘child sup-
5 port’, when used in reference to the legal obligations
6 of an individual to provide such support, means
7 amounts required to be paid under a judgment, de-
8 cree, or order, whether temporary, final, or subject
9 to modification, issued by a court or an administra-
10 tive agency of competent jurisdiction, for the sup-
11 port and maintenance of a child, including a child
12 who has attained the age of majority under the law
13 of the issuing State, or a child and the parent with
14 whom the child is living, which provides for mone-
15 tary support, health care, arrearages or reimburse-
16 ment, and which may include other related costs and
17 fees, interest and penalties, income withholding, at-
18 torney’s fees, and other relief.

19 “(3) ALIMONY.—

20 “(A) IN GENERAL.—The term ‘alimony’,
21 when used in reference to the legal obligations
22 of an individual to provide the same, means
23 periodic payments of funds for the support and
24 maintenance of the spouse (or former spouse)
25 of the individual, and (subject to and in accord-

1 ance with State law) includes separate mainte-
2 nance, alimony pendente lite, maintenance, and
3 spousal support, and includes attorney’s fees,
4 interest, and court costs when and to the extent
5 that the same are expressly made recoverable as
6 such pursuant to a decree, order, or judgment
7 issued in accordance with applicable State law
8 by a court of competent jurisdiction.

9 “(B) EXCEPTIONS.—Such term does not
10 include—

11 “(i) any child support; or

12 “(ii) any payment or transfer of prop-
13 erty or its value by an individual to the
14 spouse or a former spouse of the individual
15 in compliance with any community prop-
16 erty settlement, equitable distribution of
17 property, or other division of property be-
18 tween spouses or former spouses.

19 “(4) PRIVATE PERSON.—The term ‘private per-
20 son’ means a person who does not have sovereign or
21 other special immunity or privilege which causes the
22 person not to be subject to legal process.

23 “(5) LEGAL PROCESS.—The term ‘legal proc-
24 ess’ means any writ, order, summons, or other simi-
25 lar process in the nature of garnishment—

1 “(A) which is issued by—

2 “(i) a court or an administrative
3 agency of competent jurisdiction in any
4 State, territory, or possession of the Unit-
5 ed States;

6 “(ii) a court or an administrative
7 agency of competent jurisdiction in any
8 foreign country with which the United
9 States has entered into an agreement
10 which requires the United States to honor
11 the process; or

12 “(iii) an authorized official pursuant
13 to an order of such a court or an adminis-
14 trative agency of competent jurisdiction or
15 pursuant to State or local law; and

16 “(B) which is directed to, and the purpose
17 of which is to compel, a governmental entity
18 which holds moneys which are otherwise pay-
19 able to an individual to make a payment from
20 the moneys to another party in order to satisfy
21 a legal obligation of the individual to provide
22 child support or make alimony payments.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) TO PART D OF TITLE IV.—Sections 461 and
25 462 (42 U.S.C. 661 and 662) are repealed.

1 (2) TO TITLE 5, UNITED STATES CODE.—Section
2 tion 5520a of title 5, United States Code, is amend-
3 ed, in subsections (h)(2) and (i), by striking “sec-
4 tions 459, 461, and 462 of the Social Security Act
5 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
6 tion 459 of the Social Security Act (42 U.S.C.
7 659)”.

8 (c) MILITARY RETIRED AND RETAINER PAY.—

9 (1) DEFINITION OF COURT.—Section
10 1408(a)(1) of title 10, United States Code, is
11 amended—

12 (A) by striking “and” at the end of sub-
13 paragraph (B);

14 (B) by striking the period at the end of
15 subparagraph (C) and inserting “; and”; and

16 (C) by adding after subparagraph (C) the
17 following: new subparagraph

18 “(D) any administrative or judicial tribu-
19 nal of a State competent to enter orders for
20 support or maintenance (including a State
21 agency administering a program under a State
22 plan approved under part D of title IV of the
23 Social Security Act), and, for purposes of this
24 subparagraph, the term ‘State’ includes the
25 District of Columbia, the Commonwealth of

1 Puerto Rico, the Virgin Islands, Guam, and
2 American Samoa.”.

3 (2) DEFINITION OF COURT ORDER.—Section
4 1408(a)(2) of such title is amended—

5 (A) by inserting “or a support order, as
6 defined in section 453(p) of the Social Security
7 Act (42 U.S.C. 653(p)),” before “which—”;

8 (B) in subparagraph (B)(i), by striking
9 “(as defined in section 462(b) of the Social Se-
10 curity Act (42 U.S.C. 662(b)))” and inserting
11 “(as defined in section 459(i)(2) of the Social
12 Security Act (42 U.S.C. 662(i)(2)))”; and

13 (C) in subparagraph (B)(ii), by striking
14 “(as defined in section 462(c) of the Social Se-
15 curity Act (42 U.S.C. 662(c)))” and inserting
16 “(as defined in section 459(i)(3) of the Social
17 Security Act (42 U.S.C. 662(i)(3)))”.

18 (3) PUBLIC PAYEE.—Section 1408(d) of such
19 title is amended—

20 (A) in the heading, by inserting “(OR FOR
21 BENEFIT OF)” before “SPOUSE OR”; and

22 (B) in paragraph (1), in the 1st sentence,
23 by inserting “(or for the benefit of such spouse
24 or former spouse to a State disbursement unit
25 established pursuant to section 454B of the So-

1 cial Security Act or other public payee des-
2 signed by a State, in accordance with part D
3 of title IV of the Social Security Act, as di-
4 rected by court order, or as otherwise directed
5 in accordance with such part D)” before “in an
6 amount sufficient”.

7 (4) RELATIONSHIP TO PART D OF TITLE IV.—
8 Section 1408 of such title is amended by adding at
9 the end the following new subsection:

10 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
11 involving an order providing for payment of child support
12 (as defined in section 459(i)(2) of the Social Security Act)
13 by a member who has never been married to the other
14 parent of the child, the provisions of this section shall not
15 apply, and the case shall be subject to the provisions of
16 section 459 of such Act.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall become effective 6 months after the date
19 of the enactment of this Act.

20 **SEC. 163. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
21 **TIONS OF MEMBERS OF THE ARMED FORCES.**

22 (a) AVAILABILITY OF LOCATOR INFORMATION.—

23 (1) MAINTENANCE OF ADDRESS INFORMA-
24 TION.—The Secretary of Defense shall establish a
25 centralized personnel locator service that includes

1 the address of each member of the Armed Forces
2 under the jurisdiction of the Secretary. Upon re-
3 quest of the Secretary of Transportation, addresses
4 for members of the Coast Guard shall be included in
5 the centralized personnel locator service.

6 (2) TYPE OF ADDRESS.—

7 (A) RESIDENTIAL ADDRESS.—Except as
8 provided in subparagraph (B), the address for
9 a member of the Armed Forces shown in the lo-
10 cator service shall be the residential address of
11 that member.

12 (B) DUTY ADDRESS.—The address for a
13 member of the Armed Forces shown in the loca-
14 tor service shall be the duty address of that
15 member in the case of a member—

16 (i) who is permanently assigned over-
17 seas, to a vessel, or to a routinely
18 deployable unit; or

19 (ii) with respect to whom the Sec-
20 retary concerned makes a determination
21 that the member's residential address
22 should not be disclosed due to national se-
23 curity or safety concerns.

24 (3) UPDATING OF LOCATOR INFORMATION.—

25 Within 30 days after a member listed in the locator

1 service establishes a new residential address (or a
2 new duty address, in the case of a member covered
3 by paragraph (2)(B)), the Secretary concerned shall
4 update the locator service to indicate the new ad-
5 dress of the member.

6 (4) AVAILABILITY OF INFORMATION.—The Sec-
7 retary of Defense shall make information regarding
8 the address of a member of the Armed Forces listed
9 in the locator service available, on request, to the
10 Federal Parent Locator Service established under
11 section 453 of the Social Security Act.

12 (b) FACILITATING GRANTING OF LEAVE FOR AT-
13 TENDANCE AT HEARINGS.—

14 (1) REGULATIONS.—The Secretary of each
15 military department, and the Secretary of Transpor-
16 tation with respect to the Coast Guard when it is
17 not operating as a service in the Navy, shall pre-
18 scribe regulations to facilitate the granting of leave
19 to a member of the Armed Forces under the juris-
20 diction of that Secretary in a case in which—

21 (A) the leave is needed for the member to
22 attend a hearing described in paragraph (2);

23 (B) the member is not serving in or with
24 a unit deployed in a contingency operation (as

1 defined in section 101 of title 10, United States
2 Code); and

3 (C) the exigencies of military service (as
4 determined by the Secretary concerned) do not
5 otherwise require that such leave not be grant-
6 ed.

7 (2) COVERED HEARINGS.—Paragraph (1) ap-
8 plies to a hearing that is conducted by a court or
9 pursuant to an administrative process established
10 under State law, in connection with a civil action—

11 (A) to determine whether a member of the
12 Armed Forces is a natural parent of a child; or

13 (B) to determine an obligation of a mem-
14 ber of the Armed Forces to provide child sup-
15 port.

16 (3) DEFINITIONS.—For purposes of this sub-
17 section—

18 (A) The term “court” has the meaning
19 given that term in section 1408(a) of title 10,
20 United States Code.

21 (B) The term “child support” has the
22 meaning given such term in section 459(i) of
23 the Social Security Act (42 U.S.C. 659(i)).

24 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
25 PLIANCE WITH CHILD SUPPORT ORDERS.—

1 (1) DATE OF CERTIFICATION OF COURT
2 ORDER.—Section 1408 of title 10, United States
3 Code, as amended by section 162(c)(4) of this Act,
4 is amended—

5 (A) by redesignating subsections (i) and (j)
6 as subsections (j) and (k), respectively; and

7 (B) by inserting after subsection (h) the
8 following new subsection:

9 “(i) CERTIFICATION DATE.—It is not necessary that
10 the date of a certification of the authenticity or complete-
11 ness of a copy of a court order for child support received
12 by the Secretary concerned for the purposes of this section
13 be recent in relation to the date of receipt by the Sec-
14 retary.”.

15 (2) PAYMENTS CONSISTENT WITH ASSIGN-
16 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
17 of such title is amended by inserting after the 1st
18 sentence the following new sentence: “In the case of
19 a spouse or former spouse who, pursuant to section
20 402(a)(26) of the Social Security Act (42 U.S.C.
21 602(a)(26)), assigns to a State the rights of the
22 spouse or former spouse to receive support, the Sec-
23 retary concerned may make the child support pay-
24 ments referred to in the preceding sentence to that

1 State in amounts consistent with that assignment of
2 rights.”.

3 (3) ARREARAGES OWED BY MEMBERS OF THE
4 UNIFORMED SERVICES.—Section 1408(d) of such
5 title is amended by adding at the end the following
6 new paragraph:

7 “(6) In the case of a court order for which effective
8 service is made on the Secretary concerned on or after
9 the date of the enactment of this paragraph and which
10 provides for payments from the disposable retired pay of
11 a member to satisfy the amount of child support set forth
12 in the order, the authority provided in paragraph (1) to
13 make payments from the disposable retired pay of a mem-
14 ber to satisfy the amount of child support set forth in a
15 court order shall apply to payment of any amount of child
16 support arrearages set forth in that order as well as to
17 amounts of child support that currently become due.”.

18 (4) PAYROLL DEDUCTIONS.—The Secretary of
19 Defense shall begin payroll deductions within 30
20 days after receiving notice of withholding, or for the
21 1st pay period that begins after such 30-day period.

22 **SEC. 164. VOIDING OF FRAUDULENT TRANSFERS.**

23 Section 466 (42 U.S.C. 666), as amended by section
24 121 of this Act, is amended by adding at the end the fol-
25 lowing new subsection:

1 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
2 order to satisfy section 454(20)(A), each State must have
3 in effect—

4 “(1)(A) the Uniform Fraudulent Conveyance
5 Act of 1981;

6 “(B) the Uniform Fraudulent Transfer Act of
7 1984; or

8 “(C) another law, specifying indicia of fraud
9 which create a prima facie case that a debtor trans-
10 ferred income or property to avoid payment to a
11 child support creditor, which the Secretary finds af-
12 fords comparable rights to child support creditors;
13 and

14 “(2) procedures under which, in any case in
15 which the State knows of a transfer by a child sup-
16 port debtor with respect to which such a prima facie
17 case is established, the State must—

18 “(A) seek to void such transfer; or

19 “(B) obtain a settlement in the best inter-
20 ests of the child support creditor.”.

21 **SEC. 165. WORK REQUIREMENT FOR PERSONS OWING**
22 **PAST-DUE CHILD SUPPORT.**

23 (a) IN GENERAL.—Section 466(a) of the Social Secu-
24 rity Act (42 U.S.C. 666(a)), as amended by sections 115,

1 117(a), and 123 of this Act, is amended by adding at the
2 end the following new paragraph:

3 “(15) PROCEDURES TO ENSURE THAT PERSONS
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) IN GENERAL.—Procedures under
7 which the State has the authority, in any case
8 in which an individual owes past-due support
9 with respect to a child receiving assistance
10 under a State program funded under part A, to
11 seek a court order that requires the individual
12 to—

13 “(i) pay such support in accordance
14 with a plan approved by the court, or, at
15 the option of the State, a plan approved by
16 the State agency administering the State
17 program under this part; or

18 “(ii) if the individual is subject to
19 such a plan and is not incapacitated, par-
20 ticipate in such work activities (as defined
21 in section 407(d)) as the court, or, at the
22 option of the State, the State agency ad-
23 ministering the State program under this
24 part, deems appropriate.

1 “(B) PAST-DUE SUPPORT DEFINED.—For
2 purposes of subparagraph (A), the term ‘past-
3 due support’ means the amount of a delin-
4 quency, determined under a court order, or an
5 order of an administrative process established
6 under State law, for support and maintenance
7 of a child, or of a child and the parent with
8 whom the child is living.”.

9 (b) CONFORMING AMENDMENT.—The flush para-
10 graph at the end of section 466(a) (42 U.S.C.666(a)) is
11 amended by striking “and (7)” and inserting “(7), and
12 (15)”.

13 **SEC. 166. DEFINITION OF SUPPORT ORDER.**

14 Section 453 (42 U.S.C. 653), as amended by sections
15 116 and 145(b) of this Act, is amended by adding at the
16 end the following new subsection:

17 “(p) SUPPORT ORDER DEFINED.—As used in this
18 part, the term ‘support order’ means a judgment, decree,
19 or order, whether temporary, final, or subject to modifica-
20 tion, issued by a court or an administrative agency of com-
21 petent jurisdiction, for the support and maintenance of a
22 child, including a child who has attained the age of major-
23 ity under the law of the issuing State, or a child and the
24 parent with whom the child is living, which provides for
25 monetary support, health care, arrearages, or reimburse-

1 ment, and which may include related costs and fees, inter-
2 est and penalties, income withholding, attorneys' fees, and
3 other relief.”.

4 **SEC. 167. REPORTING ARREARAGES TO CREDIT BUREAUS.**

5 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
6 to read as follows:

7 “(7) REPORTING ARREARAGES TO CREDIT BU-
8 REAUS.—

9 “(A) IN GENERAL.—Procedures (subject to
10 safeguards pursuant to subparagraph (B)) re-
11 quiring the State to report periodically to
12 consumer reporting agencies (as defined in sec-
13 tion 603(f) of the Fair Credit Reporting Act
14 (15 U.S.C. 1681a(f)) the name of any non-
15 custodial parent who is delinquent in the pay-
16 ment of support, and the amount of overdue
17 support owed by such parent.

18 “(B) SAFEGUARDS.—Procedures ensuring
19 that, in carrying out subparagraph (A), infor-
20 mation with respect to a noncustodial parent is
21 reported—

22 “(i) only after such parent has been
23 afforded all due process required under
24 State law, including notice and a reason-

1 able opportunity to contest the accuracy of
2 such information; and

3 “(ii) only to an entity that has fur-
4 nished evidence satisfactory to the State
5 that the entity is a consumer reporting
6 agency (as so defined).”.

7 **SEC. 168. LIENS.**

8 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
9 to read as follows:

10 “(4) LIENS.—Procedures under which—

11 “(A) liens arise by operation of law against
12 real and personal property for amounts of over-
13 due support owed by a noncustodial parent who
14 resides or owns property in the State; and

15 “(B) the State accords full faith and credit
16 to liens described in subparagraph (A) arising
17 in another State, without registration of the un-
18 derlying order.”.

19 **SEC. 169. STATE LAW AUTHORIZING SUSPENSION OF LI-**
20 **CENSES.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 sections 115, 117(a), 123, and 165 of this Act, is amended
23 by adding at the end the following:

24 “(16) AUTHORITY TO WITHHOLD OR SUSPEND
25 LICENSES.—Procedures under which the State has

1 (and uses in appropriate cases) authority to withhold
2 or suspend, or to restrict the use of driver's licenses,
3 professional and occupational licenses, and rec-
4 reational licenses of individuals owing overdue sup-
5 port or failing, after receiving appropriate notice, to
6 comply with subpoenas or warrants relating to pa-
7 ternity or child support proceedings.”.

8 **SEC. 170. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
9 **CHILD SUPPORT.**

10 (a) HHS CERTIFICATION PROCEDURE.—

11 (1) SECRETARIAL RESPONSIBILITY.—Section
12 452 (42 U.S.C. 652), as amended by section 145 of
13 this Act, is amended by adding at the end the fol-
14 lowing new subsection:

15 “(k)(1) If the Secretary receives a certification by a
16 State agency in accordance with the requirements of sec-
17 tion 454(31) that an individual owes arrearages of child
18 support in an amount exceeding \$5,000, the Secretary
19 shall transmit such certification to the Secretary of State
20 for action (with respect to denial, revocation, or limitation
21 of passports) pursuant to section 170(b) of the Child Sup-
22 port Enforcement Reform Amendments of 1996.

23 “(2) The Secretary shall not be liable to an individual
24 for any action with respect to a certification by a State
25 agency under this section.”.

1 (2) STATE CASE AGENCY RESPONSIBILITY.—
2 Section 454 (42 U.S.C. 654), as amended by sec-
3 tions 101(b), 103(a), 112(b), 113(a), 133, and
4 143(b) of this Act, is amended—

5 (A) by striking “and” at the end of para-
6 graph (29);

7 (B) by striking the period at the end of
8 paragraph (30) and inserting “; and”; and

9 (C) by adding after paragraph (30) the fol-
10 lowing new paragraph:

11 “(31) provide that the State agency will have in
12 effect a procedure for certifying to the Secretary, for
13 purposes of the procedure under section 452(k), de-
14 terminations that individuals owe arrearages of child
15 support in an amount exceeding \$5,000, under
16 which procedure—

17 “(A) each individual concerned is afforded
18 notice of such determination and the con-
19 sequences thereof, and an opportunity to con-
20 test the determination; and

21 “(B) the certification by the State agency
22 is furnished to the Secretary in such format,
23 and accompanied by such supporting docu-
24 mentation, as the Secretary may require.”.

1 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
2 OF PASSPORTS.—

3 (1) IN GENERAL.—The Secretary of State shall,
4 upon certification by the Secretary of Health and
5 Human Services transmitted under section 452(k) of
6 the Social Security Act, refuse to issue a passport to
7 such individual, and may revoke, restrict, or limit a
8 passport issued previously to such individual.

9 (2) LIMIT ON LIABILITY.—The Secretary of
10 State shall not be liable to an individual for any ac-
11 tion with respect to a certification by a State agency
12 under this section.

13 (c) EFFECTIVE DATE.—This section and the amend-
14 ments made by this section shall become effective October
15 1, 1996.

16 **SEC. 171. INTERNATIONAL CHILD SUPPORT ENFORCE-**
17 **MENT.**

18 (a) AUTHORITY FOR INTERNATIONAL AGREE-
19 MENTS.—Part D of title IV, as amended by section 162(a)
20 of this Act, is amended by adding after section 459 the
21 following new section:

22 **“SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCE-**
23 **MENT.**

24 **“(a) AUTHORITY FOR DECLARATIONS.—**

1 “(1) DECLARATION.—The Secretary of State,
2 with the concurrence of the Secretary of Health and
3 Human Services, is authorized to declare any foreign
4 country (or a political subdivision thereof) to be a
5 foreign reciprocating country if the foreign country
6 has established, or undertakes to establish, proce-
7 dures for the establishment and enforcement of du-
8 ties of support owed to obligees who are residents of
9 the United States, and such procedures are substan-
10 tially in conformity with the standards prescribed
11 under subsection (b).

12 “(2) REVOCATION.—A declaration with respect
13 to a foreign country made pursuant to paragraph
14 (1) may be revoked if the Secretaries of State and
15 Health and Human Services determine that—

16 “(A) the procedures established by the for-
17 eign nation regarding the establishment and en-
18 forcement of duties of support have been so
19 changed, or the foreign nation’s implementation
20 of such procedures is so unsatisfactory, that
21 such procedures do not meet the criteria for
22 such a declaration; or

23 “(B) continued operation of the declaration
24 is not consistent with the purposes of this part.

1 “(3) FORM OF DECLARATION.—A declaration
2 under paragraph (1) may be made in the form of an
3 international agreement, in connection with an inter-
4 national agreement or corresponding foreign declara-
5 tion, or on a unilateral basis.

6 “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-
7 MENT PROCEDURES.—

8 “(1) MANDATORY ELEMENTS.—Child support
9 enforcement procedures of a foreign country which
10 may be the subject of a declaration pursuant to sub-
11 section (a)(1) shall include the following elements:

12 “(A) The foreign country (or political sub-
13 division thereof) has in effect procedures, avail-
14 able to residents of the United States—

15 “(i) for establishment of paternity,
16 and for establishment of orders of support
17 for children and custodial parents; and

18 “(ii) for enforcement of orders to pro-
19 vide support to children and custodial par-
20 ents, including procedures for collection
21 and appropriate distribution of support
22 payments under such orders.

23 “(B) The procedures described in subpara-
24 graph (A), including legal and administrative

1 assistance, are provided to residents of the
2 United States at no cost.

3 “(C) An agency of the foreign country is
4 designated as a Central Authority responsible
5 for—

6 “(i) facilitating child support enforce-
7 ment in cases involving residents of the
8 foreign nation and residents of the United
9 States; and

10 “(ii) ensuring compliance with the
11 standards established pursuant to this sub-
12 section.

13 “(2) ADDITIONAL ELEMENTS.—The Secretary
14 of Health and Human Services and the Secretary of
15 State, in consultation with the States, may establish
16 such additional standards as may be considered nec-
17 essary to further the purposes of this section.

18 “(c) DESIGNATION OF UNITED STATES CENTRAL
19 AUTHORITY.—It shall be the responsibility of the Sec-
20 retary of Health and Human Services to facilitate child
21 support enforcement in cases involving residents of the
22 United States and residents of foreign nations that are
23 the subject of a declaration under this section, by activities
24 including—

1 “(1) development of uniform forms and proce-
2 dures for use in such cases;

3 “(2) notification of foreign reciprocating coun-
4 tries of the State of residence of individuals sought
5 for support enforcement purposes, on the basis of in-
6 formation provided by the Federal Parent Locator
7 Service; and

8 “(3) such other oversight, assistance, and co-
9 ordination activities as the Secretary may find nec-
10 essary and appropriate.

11 “(d) EFFECT ON OTHER LAWS.—States may enter
12 into reciprocal arrangements for the establishment and en-
13 forcement of child support obligations with foreign coun-
14 tries that are not the subject of a declaration pursuant
15 to subsection (a), to the extent consistent with Federal
16 law.”.

17 (b) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by sections 101(b), 103(a),
19 112(b), 113(a), 133, 143(b), and 170(a)(2) of this Act,
20 is amended—

21 (1) by striking “and” at the end of paragraph
22 (30);

23 (2) by striking the period at the end of para-
24 graph (31) and inserting “; and”; and

1 (3) by adding after paragraph (31) the follow-
2 ing new paragraph:

3 “(32)(A) provide that any request for services
4 under this part by a foreign reciprocating country or
5 a foreign country with which the State has an ar-
6 rangement described in section 459A(d)(2) shall be
7 treated as a request by a State;

8 “(B) provide, at State option, notwithstanding
9 paragraph (4) or any other provision of this part,
10 for services under the plan for enforcement of a
11 spousal support order not described in paragraph
12 (4)(B) entered by such a country (or subdivision);
13 and

14 “(C) provide that no applications will be re-
15 quired from, and no costs will be assessed for such
16 services against, the foreign reciprocating country or
17 foreign obligee (but costs may at State option be as-
18 sessed against the obligor).”.

19 **SEC. 172. FINANCIAL INSTITUTION DATA MATCHES.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 sections 115, 117(a), 123, 165, and 169 of this Act, is
22 amended by adding at the end the following new para-
23 graph:

24 “(17) FINANCIAL INSTITUTION DATA
25 MATCHES.—

1 “(A) IN GENERAL.—Procedures under
2 which the State agency shall enter into agree-
3 ments with financial institutions doing business
4 in the State—

5 “(i) to develop and operate, in coordi-
6 nation with such financial institutions, a
7 data match system, using automated data
8 exchanges to the maximum extent feasible,
9 in which each such financial institution is
10 required to provide for each calendar quar-
11 ter the name, record address, social secu-
12 rity number or other taxpayer identifica-
13 tion number, and other identifying infor-
14 mation for each noncustodial parent who
15 maintains an account at such institution
16 and who owes past-due support, as identi-
17 fied by the State by name and social secu-
18 rity number or other taxpayer identifica-
19 tion number; and

20 “(ii) in response to a notice of lien or
21 levy, encumber or surrender, as the case
22 may be, assets held by such institution on
23 behalf of any noncustodial parent who is
24 subject to a child support lien pursuant to
25 paragraph (4).

1 “(B) REASONABLE FEES.—The State
2 agency may pay a reasonable fee to a financial
3 institution for conducting the data match pro-
4 vided for in subparagraph (A)(i), not to exceed
5 the actual costs incurred by such financial insti-
6 tution.

7 “(C) LIABILITY.—A financial institution
8 shall not be liable under any Federal or State
9 law to any person—

10 “(i) for any disclosure of information
11 to the State agency under subparagraph
12 (A)(i);

13 “(ii) for encumbering or surrendering
14 any assets held by such financial institu-
15 tion in response to a notice of lien or levy
16 issued by the State agency as provided for
17 in subparagraph (A)(ii); or

18 “(iii) for any other action taken in
19 good faith to comply with the requirements
20 of subparagraph (A).

21 “(D) DEFINITIONS.—For purposes of this
22 paragraph—

23 “(i) FINANCIAL INSTITUTION.—The
24 term ‘financial institution’ means any Fed-
25 eral or State commercial savings bank, in-

1 cluding savings association or cooperative
2 bank, Federal- or State-chartered credit
3 union, benefit association, insurance com-
4 pany, safe deposit company, money-market
5 mutual fund, or any similar entity author-
6 ized to do business in the State; and

7 “(ii) ACCOUNT.—The term ‘account’
8 means a demand deposit account, checking
9 or negotiable withdrawal order account,
10 savings account, time deposit account, or
11 money-market mutual fund account.”.

12 **SEC. 173. ENFORCEMENT OF ORDERS AGAINST PATERNAL**
13 **OR MATERNAL GRANDPARENTS IN CASES OF**
14 **MINOR PARENTS.**

15 Section 466(a) (42 U.S.C. 666(a)), as amended by
16 sections 115, 117(a), 123, 165, 169, and 172 of this Act,
17 is amended by adding at the end the following new para-
18 graph:

19 “(18) ENFORCEMENT OF ORDERS AGAINST PA-
20 TERNAL OR MATERNAL GRANDPARENTS.—Proce-
21 dures under which, at the State’s option, any child
22 support order enforced under this part with respect
23 to a child of minor parents, if the custodial parents
24 of such child are receiving assistance under the
25 State program funded under part A, shall be en-

1 forceable, jointly and severally, against the parents
2 of the noncustodial parents of such child.”.

3 **SEC. 174. NONDISCHARGEABILITY IN BANKRUPTCY OF**
4 **CERTAIN DEBTS FOR THE SUPPORT OF A**
5 **CHILD.**

6 (a) AMENDMENT TO TITLE 11 OF THE UNITED
7 STATES CODE.—Section 523(a) of title 11, United States
8 Code, is amended—

9 (1) in paragraph (16) by striking the period at
10 the end and inserting “; or”, and

11 (2) by adding at the end the following:

12 “(17) to a State or municipality for assistance
13 provided by such State or municipality under a
14 State program funded under section 403 of the So-
15 cial Security Act to the extent that such assistance
16 is provided for the support of a child of the debtor.”.

17 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—
18 Section 456(b) of the Social Security Act (42 U.S.C.
19 656(b)) is amended to read as follows:

20 “(b) NONDISCHARGEABILITY.—A debt (as defined in
21 section 101 of title 11 of the United States Code) to a
22 State (as defined in such section) or municipality (as de-
23 fined in such section) for assistance provided by such
24 State or municipality under a State program funded under
25 section 403 is not dischargeable under section 727, 1141,

1 1228(a), 1228(b), or 1328(b) of title 11 of the United
2 States Code to the extent that such assistance is provided
3 for the support of a child of the debtor (as defined in such
4 section).”.

5 (c) APPLICATION OF AMENDMENTS.—The amend-
6 ments made by this section shall apply only with respect
7 to cases commenced under title 11 of the United States
8 Code after the effective date of this section.

9 **Subtitle H—Medical Support**

10 **SEC. 176. CORRECTION TO ERISA DEFINITION OF MEDICAL** 11 **CHILD SUPPORT ORDER.**

12 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
13 ployee Retirement Income Security Act of 1974 (29
14 U.S.C. 1169(a)(2)(B)) is amended—

15 (1) by striking “issued by a court of competent
16 jurisdiction”;

17 (2) by striking the period at the end of clause
18 (ii) and inserting a comma; and

19 (3) by adding, after and below clause (ii), the
20 following:

21 “if such judgment, decree, or order (I) is issued
22 by a court of competent jurisdiction or (II) is
23 issued through an administrative process estab-
24 lished under State law and has the force and ef-
25 fect of law under applicable State law.”.

1 (b) EFFECTIVE DATE.—

2 (1) IN GENERAL.—The amendments made by
3 this section shall take effect on the date of the en-
4 actment of this Act.

5 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
6 JANUARY 1, 1996.—Any amendment to a plan re-
7 quired to be made by an amendment made by this
8 section shall not be required to be made before the
9 1st plan year beginning on or after January 1,
10 1996, if—

11 (A) during the period after the date before
12 the date of the enactment of this Act and be-
13 fore such 1st plan year, the plan is operated in
14 accordance with the requirements of the amend-
15 ments made by this section; and

16 (B) such plan amendment applies retro-
17 actively to the period after the date before the
18 date of the enactment of this Act and before
19 such 1st plan year.

20 A plan shall not be treated as failing to be operated
21 in accordance with the provisions of the plan merely
22 because it operates in accordance with this para-
23 graph.

1 **SEC. 177. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
2 **COVERAGE.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 115, 117(a), 123, 165, 169, 172, and 173 of this
5 Act, is amended by adding at the end the following new
6 paragraph:

7 “(19) HEALTH CARE COVERAGE.—Procedures
8 under which all child support orders enforced pursu-
9 ant to this part shall include a provision for the
10 health care coverage of the child, and in the case in
11 which a noncustodial parent provides such coverage
12 and changes employment, and the new employer pro-
13 vides health care coverage, the State agency shall
14 transfer notice of the provision to the employer,
15 which notice shall operate to enroll the child in the
16 noncustodial parent’s health plan, unless the non-
17 custodial parent contests the notice.”.

18 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
19 **Residential Parents**
20

21 **SEC. 181. GRANTS TO STATES FOR ACCESS AND VISITATION**
22 **PROGRAMS.**

23 Part D of title IV (42 U.S.C. 651–669) is amended
24 by adding at the end the following:

1 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
2 **TION PROGRAMS.**

3 “(a) IN GENERAL.—The Administration for Children
4 and Families shall make grants under this section to en-
5 able States to establish and administer programs to sup-
6 port and facilitate noncustodial parents’ access to and visi-
7 tation of their children, by means of activities including
8 mediation (both voluntary and mandatory), counseling,
9 education, development of parenting plans, visitation en-
10 forcement (including monitoring, supervision and neutral
11 drop-off and pickup), and development of guidelines for
12 visitation and alternative custody arrangements.

13 “(b) AMOUNT OF GRANT.—The amount of the grant
14 to be made to a State under this section for a fiscal year
15 shall be an amount equal to the lesser of—

16 “(1) 90 percent of State expenditures during
17 the fiscal year for activities described in subsection
18 (a); or

19 “(2) the allotment of the State under sub-
20 section (c) for the fiscal year.

21 “(c) ALLOTMENTS TO STATES.—

22 “(1) IN GENERAL.—The allotment of a State
23 for a fiscal year is the amount that bears the same
24 ratio to the amount appropriated for grants under
25 this section for the fiscal year as the number of chil-
26 dren in the State living with only 1 biological parent

1 bears to the total number of such children in all
2 States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-
4 tion for Children and Families shall adjust allot-
5 ments to States under paragraph (1) as necessary to
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1996 or 1997;

8 or

9 “(B) \$100,000 for any succeeding fiscal
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is
13 made under this section may not use the grant to supplant
14 expenditures by the State for activities specified in sub-
15 section (a), but shall use the grant to supplement such
16 expenditures at a level at least equal to the level of such
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.—Each State to which
19 a grant is made under this section—

20 “(1) may administer State programs funded
21 with the grant, directly or through grants to or con-
22 tracts with courts, local public agencies, or non-prof-
23 it private entities;

24 “(2) shall not be required to operate such pro-
25 grams on a statewide basis; and

1 “(3) shall monitor, evaluate, and report on such
2 programs in accordance with regulations prescribed
3 by the Secretary.”.

4 **Subtitle J—Effect of Enactment**

5 **SEC. 191. EFFECTIVE DATES.**

6 (a) IN GENERAL.—Except as otherwise specifically
7 provided (but subject to subsections (b) and (c))—

8 (1) the provisions of this Act requiring the en-
9 actment or amendment of State laws under section
10 466 of the Social Security Act, or revision of State
11 plans under section 454 of such Act, shall be effec-
12 tive with respect to periods beginning on and after
13 October 1, 1996; and

14 (2) all other provisions of this Act shall become
15 effective upon the date of the enactment of this Act.

16 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
17 provisions of this Act shall become effective with respect
18 to a State on the later of—

19 (1) the date specified in this Act, or

20 (2) the effective date of laws enacted by the leg-
21 islature of such State implementing such provisions,
22 but in no event later than the 1st day of the 1st calendar
23 quarter beginning after the close of the 1st regular session
24 of the State legislature that begins after the date of the
25 enactment of this Act. For purposes of the previous sen-

1 tence, in the case of a State that has a 2-year legislative
2 session, each year of such session shall be deemed to be
3 a separate regular session of the State legislature.

4 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
5 AMENDMENT.—A State shall not be found out of compli-
6 ance with any requirement enacted by this Act if the State
7 is unable to so comply without amending the State con-
8 stitution until the earlier of—

9 (1) 1 year after the effective date of the nec-
10 essary State constitutional amendment; or

11 (2) 5 years after the date of the enactment of
12 this Act.

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