

104TH CONGRESS
1ST SESSION

S. 442

To improve and strengthen the child support collection system, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16 (legislative day, JANUARY 30), 1995

Ms. SNOWE (for herself and Mr. DOLE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve and strengthen the child support collection system, and for other purposes.

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; REFERENCE; TABLE OF CON-**
4 **TENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Child Support Responsibility Act of 1995”.

7 (b) REFERENCE TO SOCIAL SECURITY ACT.—Except
8 as otherwise specifically provided, wherever in this Act an
9 amendment is expressed in terms of an amendment to or
10 repeal of a section or other provision, the reference shall

1 be considered to be made to that section or other provision
2 of the Social Security Act.

3 (c) TABLE OF CONTENTS.—The table of contents of
4 this Act is as follows:

Sec. 1. Short title; reference; table of contents.

TITLE I—IMPROVEMENTS TO THE CHILD SUPPORT COLLECTION
SYSTEM

Subtitle A—Eligibility and Other Matters Concerning Title IV-D Program
Clients

- Sec. 101. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 102. Distribution of payments.
- Sec. 103. Due process rights.
- Sec. 104. Privacy safeguards.

Subtitle B—Program Administration and Funding

- Sec. 111. Federal matching payments.
- Sec. 112. Performance-based incentives and penalties.
- Sec. 113. Federal and State reviews and audits.
- Sec. 114. Required reporting procedures.
- Sec. 115. Automated data processing requirements.
- Sec. 116. Director of CSE program; staffing study.
- Sec. 117. Funding for secretarial assistance to State programs.
- Sec. 118. Data collection and reports by the Secretary.

Subtitle C—Locate and Case Tracking

- Sec. 121. Central State and case registry.
- Sec. 122. Centralized collection and disbursement of support payments.
- Sec. 123. Amendments concerning income withholding.
- Sec. 124. Locator information from interstate networks.
- Sec. 125. Expanded Federal Parent Locator Service.
- Sec. 126. Use of Social Security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

- Sec. 131. Adoption of uniform State laws.
- Sec. 132. Improvements to full faith and credit for child support orders.
- Sec. 133. State laws providing expedited procedures.

Subtitle E—Paternity Establishment

- Sec. 141. State laws concerning paternity establishment.
- Sec. 142. Outreach for voluntary paternity establishment.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 151. National Child Support Guidelines Commission.
- Sec. 152. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

- Sec. 161. Federal income tax refund offset.
- Sec. 162. Internal Revenue Service collection of arrearages.
- Sec. 163. Authority to collect support from Federal employees.
- Sec. 164. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 165. Motor vehicle liens.
- Sec. 166. Voiding of fraudulent transfers.
- Sec. 167. State law authorizing suspension of licenses.
- Sec. 168. Reporting arrearages to credit bureaus.
- Sec. 169. Extended statute of limitation for collection of arrearages.
- Sec. 170. Charges for arrearages.
- Sec. 171. Denial of passports for nonpayment of child support.
- Sec. 172. International child support enforcement.

Subtitle H—Medical Support

- Sec. 181. Technical correction to ERISA definition of medical child support order.

TITLE II—INCREASED ACCESS TO FINANCIAL INFORMATION OF NONCUSTODIAL PARENTS AND ADDITIONAL IMPROVEMENTS IN ENFORCEMENT

- Sec. 201. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.
- Sec. 202. Access to and use of consumer reports by State child support enforcement agencies in child support cases.
- Sec. 203. Health care support.
- Sec. 204. Annual reports on State compliance with time limits within which State must provide certain child support assistance.
- Sec. 205. Wages withheld by employers to pay child support obligations required to be paid to State within 10 days; late payment penalty imposed on employers.
- Sec. 206. National Parent Locator Network.

TITLE III—EFFECTIVE DATES

- Sec. 301. Effective dates.

1 **TITLE I—IMPROVEMENTS TO**
2 **THE CHILD SUPPORT COL-**
3 **LECTION SYSTEM**

4 **Subtitle A—Eligibility and Other**
5 **Matters Concerning Title IV–D**
6 **Program Clients**

7 **SEC. 101. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
8 **TABLISHMENT AND CHILD SUPPORT EN-**
9 **FORCEMENT SERVICES.**

10 (a) STATE LAW REQUIREMENTS.—Section 466(a)
11 (42 U.S.C. 666(a)) is amended by adding at the end the
12 following new paragraph:

13 “(12) Procedures under which—

14 “(A) every child support order established
15 or modified in the State on or after October 1,
16 1998, is recorded in the central case registry
17 established in accordance with section 454A(e);

18 “(B) child support payments are collected
19 through the centralized collections unit estab-
20 lished in accordance with section 454B—

21 “(i) on and after October 1, 1998,
22 under each order subject to wage withhold-
23 ing under section 466(b); and

24 “(ii) on and after October 1, 1999,
25 under each other order required to be re-

1 corded in such central case registry under
2 this paragraph or section 454A(e), except
3 as provided in subparagraph (C); and

4 “(C)(i) parties subject to a child support
5 order described in subparagraph (B)(ii) may
6 opt out of the procedure for payment of support
7 through the centralized collections unit (but not
8 the procedure for inclusion in the central case
9 registry) by filing with the State agency a writ-
10 ten agreement, signed by both parties, to an al-
11 ternative payment procedure; and

12 “(ii) an agreement described in clause (i)
13 becomes void whenever either party advises the
14 State agency of an intent to vacate the agree-
15 ment.”.

16 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
17 U.S.C. 654) is amended—

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

20 “(4) provide that such State will undertake—

21 “(A) to provide appropriate services under
22 this part to—

23 “(i) each child with respect to whom
24 an assignment is effective under section
25 402(a)(26), 471(a)(17), or 1912 (except in

1 cases in which the State agency deter-
2 mines, in accordance with paragraph (25),
3 that it is against the best interests of the
4 child to do so); and

5 “(ii) each child not described in clause
6 (i)—

7 “(I) with respect to whom an in-
8 dividual applies for such services; and

9 “(II) on and after October 1,
10 1998, with respect to whom a support
11 order is recorded in the central State
12 case registry established under section
13 454A, regardless of whether applica-
14 tion is made for services under this
15 part; and

16 “(B) to enforce the support obligation es-
17 tablished with respect to the custodial parent of
18 a child described in subparagraph (A) unless
19 the parties to the order which establishes the
20 support obligation have opted, in accordance
21 with section 466(a)(12)(C), for an alternative
22 payment procedure.”; and

23 (2) in paragraph (6)—

1 (A) by striking “provide that” and all that
2 follows through subparagraph (A) and inserting
3 the following:

4 “provide that—

5 “(A) services under the State plan shall be
6 made available to nonresidents on the same
7 terms as to residents;”;

8 (B) in subparagraph (B)—

9 (i) by inserting “on individuals not re-
10 ceiving assistance under part A” after
11 “such services shall be imposed”; and

12 (ii) by inserting “but no fees or costs
13 shall be imposed on any absent or custo-
14 dial parent or other individual for inclusion
15 in the central State registry maintained
16 pursuant to section 454A(e);”;

17 (C) in each of subparagraphs (B), (C), and
18 (D), by indenting such subparagraph and align-
19 ing its left margin with the left margin of sub-
20 paragraph (A); and

21 (D) in each of subparagraphs (B) and (C),
22 by striking the final comma and inserting a
23 semicolon.

24 (c) CONFORMING AMENDMENTS.—

1 (1) PATERNITY ESTABLISHMENT PERCENT-
2 AGE.—Section 452(g)(2)(A) (42 U.S.C.
3 652(g)(2)(A)) is amended by striking “454(6)” each
4 place it appears and inserting “454(4)(A)(ii)”.

5 (2) STATE PLAN.—Section 454(23) (42 U.S.C.
6 654(23)) is amended, effective October 1, 1998, by
7 striking “information as to any application fees for
8 such services and”.

9 (3) PROCEDURES TO IMPROVE ENFORCE-
10 MENT.—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) DEFINITION OF OVERDUE SUPPORT.—Sec-
16 tion 466(e) (42 U.S.C. 666(e)) is amended by strik-
17 ing “or (6)”.

18 **SEC. 102. DISTRIBUTION OF PAYMENTS.**

19 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
20 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
21 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
22 amended—

23 (1) in subparagraph (A)—

1 (A) by inserting “except as otherwise spe-
2 cifically provided in section 464 or 466(a)(3),”
3 after “is effective,”; and

4 (B) by striking “except that” and all that
5 follows through the semicolon; and

6 (2) in subparagraph (B), by striking “, except”
7 and all that follows through “medical assistance”.

8 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
9 CEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
10 ed—

11 (1) by striking subsection (a) and redesignating
12 subsection (b) as subsection (a);

13 (2) in subsection (a), as redesignated—

14 (A) in the matter preceding paragraph (2),
15 to read as follows:

16 “(a) IN THE CASE OF A FAMILY RECEIVING
17 AFDC.—Amounts collected under this part during any
18 month as support of a child who is receiving assistance
19 under part A (or a parent or caretaker relative of such
20 a child) shall (except in the case of a State exercising the
21 option under subsection (b)) be distributed as follows:

22 “(1) an amount equal to the amount that will
23 be disregarded pursuant to section 402(a)(8)(A)(vi)
24 shall be taken from each of the—

1 “(A) amounts received in a month which
2 represent payments for that month; and

3 “(B) amounts received in a month which
4 represent payments for a prior month which
5 were made by the absent parent;

6 and shall be paid to the family without affecting its
7 eligibility for assistance or decreasing any amount
8 otherwise payable as assistance to such family dur-
9 ing such month;”; and

10 (B) in paragraph (4), by striking “or (B)”
11 and all that follows through the period and in-
12 serting “; then (B) from any remainder,
13 amounts equal to arrearages of such support
14 obligations assigned, pursuant to part A, to any
15 other State or States shall be paid to such
16 other State or States and used to pay any such
17 arrears (with appropriate reimbursement of
18 the Federal Government to the extent of its
19 participation in the financing); and then (C)
20 any remainder shall be paid to the family.”; and

21 (3) by inserting after subsection (a), as redesign-
22 nated, the following new subsection:

23 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
24 ILY RECEIVING AFDC.—In the case of a State electing

1 the option under this subsection, amounts collected as de-
2 scribed in subsection (a) shall be distributed as follows:

3 “(1) an amount equal to the amount that will
4 be disregarded pursuant to section 402(a)(8)(A)(vi)
5 shall be taken from each of the—

6 “(A) amounts received in a month which
7 represent payments for that month; and

8 “(B) amounts received in a month which
9 represent payments for a prior month which
10 were made by the absent parent;

11 and shall be paid to the family without affecting its
12 eligibility for assistance or decreasing any amount
13 otherwise payable as assistance to such family dur-
14 ing such month;

15 “(2) second, from any remainder, amounts
16 equal to the balance of support owed for the current
17 month shall be paid to the family;

18 “(3) third, from any remainder, amounts equal
19 to arrearages of such support obligations assigned,
20 pursuant to part A, to the State making the collec-
21 tion shall be retained and used by such State to pay
22 any such arrearages (with appropriate reimburse-
23 ment of the Federal Government to the extent of its
24 participation in the financing); and

1 “(4) fourth, from any remainder, amounts
2 equal to arrearages of such support obligations as-
3 signed, pursuant to part A, to any other State or
4 States shall be paid to such other State or States
5 and used to pay any such arrearages (with appro-
6 priate reimbursement of the Federal Government to
7 the extent of its participation in the financing); and

8 “(5) fifth, any remainder shall be paid to the
9 family.”.

10 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
11 AFDC.—

12 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
13 657(c)) is amended to read as follows:

14 “(c) DISTRIBUTION IN CASE OF FAMILY NOT RE-
15 CEIVING AFDC.—Amounts collected by a State agency
16 under this part during any month as support of a child
17 who is not receiving assistance under part A (or of a par-
18 ent or caretaker relative of such a child) shall (subject to
19 the remaining provisions of this section) be distributed as
20 follows:

21 “(1) first, amounts equal to the total of such
22 support owed for such month shall be paid to the
23 family;

24 “(2) second, from any remainder, amounts
25 equal to arrearages of such support obligations for

1 months during which such child did not receive as-
2 sistance under part A shall be paid to the family;

3 “(3) third, from any remainder, amounts equal
4 to arrearages of such support obligations assigned to
5 the State making the collection pursuant to part A
6 shall be retained and used by such State to pay any
7 such arrearages (with appropriate reimbursement of
8 the Federal Government to the extent of its partici-
9 pation in the financing); and

10 “(4) fourth, from any remainder, amounts
11 equal to arrearages of such support obligations as-
12 signed to any other State pursuant to part A shall
13 be paid to such other State or States, and used to
14 pay such arrearages, in the order in which such ar-
15 rearages accrued (with appropriate reimbursement
16 of the Federal Government to the extent of its par-
17 ticipation in the financing).”.

18 (2) EFFECTIVE DATE.—The amendment made
19 by paragraph (1) shall become effective on October
20 1, 1999.

21 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
22 ANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C.
23 657(d)) is amended, in the matter preceding paragraph
24 (1), by striking “Notwithstanding the preceding provisions
25 of this section, amounts” and inserting the following:

1 “(d) IN CASE OF A CHILD RECEIVING ASSISTANCE
2 UNDER TITLE IV–E.—Amounts”.

3 (e) REGULATIONS.—The Secretary of Health and
4 Human Services shall promulgate regulations—

5 (1) under part D of title IV of the Social Secu-
6 rity Act, establishing a uniform nationwide standard
7 for allocation of child support collections from an ob-
8 ligor owing support to more than 1 family; and

9 (2) under part A of such title, establishing
10 standards applicable to States electing the alter-
11 native formula under section 457(b) of such Act for
12 distribution of collections on behalf of families re-
13 ceiving Aid to Families with Dependent Children,
14 designed to minimize irregular monthly payments to
15 such families.

16 (f) CLERICAL AMENDMENTS.—Section 454 (42
17 U.S.C. 654) is amended—

18 (1) in paragraph (11)—

19 (A) by striking “(11)” and inserting
20 “(11)(A)”; and

21 (B) by inserting after the semicolon “and”;
22 and

23 (2) by redesignating paragraph (12) as sub-
24 paragraph (B) of paragraph (11).

25 (g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

1 (1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42
2 U.S.C. 602(a)(8)(A)(vi)) is amended—

3 (A) by striking “\$50” each place it ap-
4 pears and inserting “\$50, or, if greater, \$50
5 adjusted by the CPI (as prescribed in section
6 406(i));”; and

7 (B) by striking the semicolon at the end
8 and inserting “or, in lieu of each dollar amount
9 specified in this clause, such greater amount as
10 the State may choose (and provide for in its
11 State plan);”.

12 (2) CPI ADJUSTMENT.—Section 406 (42
13 U.S.C. 606) is amended by adding at the end the
14 following new subsection:

15 “(i) For purposes of this part, an amount is ‘adjusted
16 by the CPI’ for any month in a calendar year by multiply-
17 ing the amount involved by the ratio of—

18 “(1) the Consumer Price Index (as prepared by
19 the Department of Labor) for the third quarter of
20 the preceding calendar year, to

21 “(2) such Consumer Price Index for the third
22 quarter of calendar year 1996,

23 and rounding the product, if not a multiple of \$10, to the
24 nearest multiple of \$10.”.

1 **SEC. 103. DUE PROCESS RIGHTS.**

2 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
3 amended by section 102(f), is amended by inserting after
4 paragraph (11) the following new paragraph:

5 “(12) provide for procedures to ensure that—

6 “(A) individuals who are applying for or
7 receiving services under this part, or are parties
8 to cases in which services are being provided
9 under this part—

10 “(i) receive notice of all proceedings in
11 which support obligations might be estab-
12 lished or modified; and

13 “(ii) receive a copy of any order estab-
14 lishing or modifying a child support obliga-
15 tion, or (in the case of a petition for modi-
16 fication) a notice of determination that
17 there should be no change in the amount
18 of the child support award, within 14 days
19 after issuance of such order or determina-
20 tion;

21 “(B) individuals applying for or receiving
22 services under this part have access to a fair
23 hearing that meets standards established by the
24 Secretary and ensures prompt consideration
25 and resolution of complaints (but the resort to

1 such procedure shall not stay the enforcement
2 of any support order); and

3 “(C)(i) individuals adversely affected by
4 the establishment or modification of (or, in the
5 case of a petition for modification, the deter-
6 mination that there should be no change in) a
7 child support order shall be afforded not less
8 than 30 days after the receipt of the order or
9 determination to initiate proceedings to chal-
10 lenge such order or determination; and

11 “(ii) the State may not provide to any
12 noncustodial parent of a child representation re-
13 lating to the establishment or modification of
14 an order for the payment of child support with
15 respect to that child, unless the State makes
16 provision for such representation outside the
17 State agency;”.

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

20 **SEC. 104. PRIVACY SAFEGUARDS.**

21 (a) STATE PLAN REQUIREMENT.—Section 454 (42
22 U.S.C. 454) is amended—

23 (1) by striking “and” at the end of paragraph
24 (23);

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

3 (3) by adding after paragraph (24) the follow-
4 ing:

5 “(25) provide that the State will have in effect
6 safeguards applicable to all sensitive and confidential
7 information handled by the State agency designed to
8 protect the privacy rights of the parties, including—

9 “(A) safeguards against unauthorized use
10 or disclosure of information relating to proceed-
11 ings or actions to establish paternity, or to es-
12 tablish or enforce support;

13 “(B) prohibitions on the release of infor-
14 mation on the whereabouts of 1 party to an-
15 other party against whom a protective order
16 with respect to the former party has been en-
17 tered; and

18 “(C) prohibitions on the release of infor-
19 mation on the whereabouts of 1 party to an-
20 other party if the State has reason to believe
21 that the release of the information may result
22 in physical or emotional harm to the former
23 party.”.

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

1 **Subtitle B—Program**
2 **Administration and Funding**

3 **SEC. 111. FEDERAL MATCHING PAYMENTS.**

4 (a) INCREASED BASE MATCHING RATE.—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
6 follows:

7 “(2) The applicable percent for a quarter for pur-
8 poses of paragraph (1)(A) is—

9 “(A) for fiscal year 1997, 69 percent;

10 “(B) for fiscal year 1998, 72 percent; and

11 “(C) for fiscal year 1999 and succeeding fiscal
12 years, 75 percent.”.

13 (b) MAINTENANCE OF EFFORT.—Section 455 (42
14 U.S.C. 655) is amended—

15 (1) in subsection (a)(1), in the matter preced-
16 ing subparagraph (A), by striking “From” and in-
17 sserting “Subject to subsection (c), from”; and

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

20 “(c) Notwithstanding the provisions of subsection (a),
21 total expenditures for the State program under this part
22 for fiscal year 1997 and each succeeding fiscal year, re-
23 duced by the percentage specified for such fiscal year
24 under subsection (a)(2), shall not be less than such total
25 expenditures for fiscal year 1996, reduced by 66 percent.”.

1 **SEC. 112. PERFORMANCE-BASED INCENTIVES AND PEN-**
2 **ALTIES.**

3 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
4 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
5 read as follows:

6 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

7 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—

8 “(1) IN GENERAL.—In order to encourage and
9 reward State child support enforcement programs
10 which perform in an effective manner, the Federal
11 matching rate for payments to a State under section
12 455(a)(1)(A), for each fiscal year beginning on or
13 after October 1, 1996, shall be increased by a factor
14 reflecting the sum of the applicable incentive adjust-
15 ments (if any) determined in accordance with regu-
16 lations under this section with respect to Statewide
17 paternity establishment and to overall performance
18 in child support enforcement.

19 “(2) STANDARDS.—

20 “(A) IN GENERAL.—The Secretary shall
21 specify in regulations—

22 “(i) the levels of accomplishment, and
23 rates of improvement as alternatives to
24 such levels, which States must attain to
25 qualify for incentive adjustments under
26 this section; and

1 “(ii) the amounts of incentive adjust-
2 ment that shall be awarded to States
3 achieving specified accomplishment or im-
4 provement levels, which amounts shall be
5 graduated, ranging up to—

6 “(I) 5 percentage points, in con-
7 nection with Statewide paternity es-
8 tablishment; and

9 “(II) 10 percentage points, in
10 connection with overall performance in
11 child support enforcement.

12 “(B) LIMITATION.—In setting performance
13 standards pursuant to subparagraph (A)(i) and
14 adjustment amounts pursuant to subparagraph
15 (A)(ii), the Secretary shall ensure that the ag-
16 gregate number of percentage point increases as
17 incentive adjustments to all States do not ex-
18 ceed such aggregate increases as assumed by
19 the Secretary in estimates of the cost of this
20 section as of June 1995, unless the aggregate
21 performance of all States exceeds the projected
22 aggregate performance of all States in such cost
23 estimates.

24 “(3) DETERMINATION OF INCENTIVE ADJUST-
25 MENT.—The Secretary shall determine the amount

1 (if any) of incentive adjustment due each State on
2 the basis of the data submitted by the State pursu-
3 ant to section 454(15)(B) concerning the levels of
4 accomplishment (and rates of improvement) with re-
5 spect to performance indicators specified by the Sec-
6 retary pursuant to this section.

7 “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-
8 JUSTMENT.—The total percentage point increase de-
9 termined pursuant to this section with respect to a
10 State program in a fiscal year shall apply as an ad-
11 justment to the applicable percent under section
12 455(a)(2) for payments to such State for the suc-
13 ceeding fiscal year.

14 “(5) RECYCLING OF INCENTIVE ADJUST-
15 MENT.—A State shall expend in the State program
16 under this part all funds paid to the State by the
17 Federal Government as a result of an incentive ad-
18 justment under this section.

19 “(b) MEANING OF TERMS.—For purposes of this sec-
20 tion—

21 “(1) the term ‘Statewide paternity establish-
22 ment percentage’ means, with respect to a fiscal
23 year, the ratio (expressed as a percentage) of—

24 “(A) the total number of out-of-wedlock
25 children in the State under 1 year of age for

1 whom paternity is established or acknowledged
2 during the fiscal year, to

3 “(B) the total number of children born out
4 of wedlock in the State during such fiscal year;
5 and

6 “(2) the term ‘overall performance in child sup-
7 port enforcement’ means a measure or measures of
8 the effectiveness of the State agency in a fiscal year
9 which takes into account factors including—

10 “(A) the percentage of cases requiring a
11 child support order in which such an order was
12 established;

13 “(B) the percentage of cases in which child
14 support is being paid;

15 “(C) the ratio of child support collected to
16 child support due; and

17 “(D) the cost-effectiveness of the State
18 program, as determined in accordance with
19 standards established by the Secretary in regu-
20 lations.”.

21 (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF
22 TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as
23 amended by section 111(a), is amended—

24 (1) by striking the period at the end of sub-
25 paragraph (C) and inserting a comma; and

1 (2) by adding after subparagraph (C), flush
2 with the left margin of the paragraph, the following:
3 “increased by the incentive adjustment factor (if any) de-
4 termined by the Secretary pursuant to section 458.”.

5 (c) CONFORMING AMENDMENTS.—Section 454(22)
6 (42 U.S.C. 654(22)) is amended—

7 (1) by striking “incentive payments” the first
8 place it appears and inserting “incentive adjust-
9 ments”; and

10 (2) by striking “any such incentive payments
11 made to the State for such period” and inserting
12 “any increases in Federal payments to the State re-
13 sulting from such incentive adjustments”.

14 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
15 MENT PERCENTAGE.—

16 (1) OVERALL PERFORMANCE.—Section
17 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the
18 matter preceding subparagraph (A) by inserting “its
19 overall performance in child support enforcement is
20 satisfactory (as determined under regulations pro-
21 mulgated by the Secretary), and” after “1994,”.

22 (2) DEFINITION.—Section 452(g)(2) (42
23 U.S.C. 652(g)(2)) is amended in subparagraph (A),
24 in the matter preceding clause (i)—

1 (i) by striking “paternity establish-
2 ment percentage” and inserting “IV–D pa-
3 ternity establishment percentage”; and

4 (ii) by striking “(or all States, as the
5 case may be)”.

6 (3) MODIFICATION OF REQUIREMENTS.—Sec-
7 tion 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

8 (A) by striking subparagraph (A) and re-
9 designating subparagraphs (B) and (C) as sub-
10 subparagraphs (A) and (B), respectively;

11 (B) in subparagraph (A), as redesignated,
12 by striking “the percentage of children born
13 out-of-wedlock in the State” and inserting “the
14 percentage of children in the State who are
15 born out of wedlock or for whom support has
16 not been established”; and

17 (C) in subparagraph (B), as redesign-
18 nated—

19 (i) by inserting “and overall perform-
20 ance in child support enforcement” after
21 “paternity establishment percentages”; and

22 (ii) by inserting “and securing sup-
23 port” before the period.

24 (4) OVERALL PERFORMANCE IN CHILD SUP-
25 PORT ENFORCEMENT.—Section 452(g) (42 U.S.C.

1 652(g)) is amended by adding at the end the follow-
2 ing new paragraph:

3 “(4) For purposes of this subsection, the term ‘over-
4 all performance in child support enforcement’ shall have
5 the same meaning given such term by section 458(b).”.

6 (e) REDUCTION OF PAYMENTS UNDER PART D OF
7 TITLE IV.—

8 (1) NEW REQUIREMENTS.—Section 455 (42
9 U.S.C. 655) is amended—

10 (A) by redesignating subsection (e) as sub-
11 section (f); and

12 (B) by inserting after subsection (d) the
13 following new subsection:

14 “(e)(1) Notwithstanding any other provision of law,
15 if the Secretary finds, with respect to a State program
16 under this part in a fiscal year beginning on or after Octo-
17 ber 1, 1997—

18 “(A)(i) on the basis of data submitted by a
19 State pursuant to section 454(15)(B), that the State
20 program in such fiscal year failed to achieve the IV-
21 D paternity establishment percentage (as defined in
22 section 452(g)(2)(A)) or the appropriate level of
23 overall performance in child support enforcement (as
24 defined in section 458(b)(2)), or to meet other per-

1 performance measures that may be established by the
2 Secretary; or

3 “(ii) on the basis of an audit or audits of such
4 State data conducted pursuant to section
5 452(a)(4)(C), that the State data submitted pursu-
6 ant to section 454(15)(B) is incomplete or unreli-
7 able; and

8 “(B) that, with respect to the succeeding fiscal
9 year—

10 “(i) the State failed to take sufficient cor-
11 rective action to achieve the appropriate per-
12 formance levels as described in subparagraph
13 (A)(i) of this paragraph; or

14 “(ii) the data submitted by the State pur-
15 suant to section 454(15)(B) is incomplete or
16 unreliable,

17 the amounts otherwise payable to the State under this
18 part for quarters following the end of such succeeding fis-
19 cal year, prior to quarters following the end of the first
20 quarter throughout which the State program is in compli-
21 ance with such performance requirement, shall be reduced
22 by the percentage specified in paragraph (2).

23 “(2) The reductions required under paragraph (1)
24 shall be—

1 “(A) not less than 6 nor more than 8 percent;
2 or

3 “(B) not less than 8 nor more than 12 percent,
4 if the finding is the second consecutive finding made
5 pursuant to paragraph (1); or

6 “(C) not less than 12 nor more than 15 per-
7 cent, if the finding is the third or a subsequent con-
8 secutive such finding.

9 “(3) For purposes of this subsection, section
10 402(a)(27), and section 452(a)(4), a State which is deter-
11 mined as a result of an audit to have submitted incomplete
12 or unreliable data pursuant to section 454(15)(B), shall
13 be determined to have submitted adequate data if the Sec-
14 retary determines that the extent of the incompleteness
15 or unreliability of the data is of a technical nature which
16 does not adversely affect the determination of the level of
17 the State’s performance.”.

18 (2) CONFORMING AMENDMENTS.—

19 (A) PAYMENTS TO STATES.—Section 403
20 (42 U.S.C. 603) is amended by striking sub-
21 section (h).

22 (B) DUTIES OF THE SECRETARY.—Sub-
23 sections (d)(3)(A), (g)(1), and (g)(3)(A) of sec-
24 tion 452 (42 U.S.C. 652) are each amended by
25 striking “403(h)” and inserting “455(e)”.

1 (f) EFFECTIVE DATES.—

2 (1) INCENTIVE ADJUSTMENTS.—The amend-
3 ments made by subsections (a), (b), and (c) shall be-
4 come effective on October 1, 1996.

5 (2) PENALTY REDUCTIONS.—

6 (A) IN GENERAL.—The amendments made
7 by subsection (d) shall become effective with re-
8 spect to calendar quarters beginning on and
9 after the date of the enactment of this Act.

10 (B) REDUCTIONS.—The amendments
11 made by subsection (e) shall become effective
12 with respect to calendar quarters beginning on
13 and after the date 1 year after the date of the
14 enactment of this Act.

15 **SEC. 113. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

18 (1) in paragraph (14)—

19 (A) by striking “(14)” and inserting
20 “(14)(A)”; and

21 (B) by inserting after the semicolon “and”;

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

24 (3) by inserting after paragraph (14) the fol-
25 lowing new paragraph:

1 “(15) provide for—

2 “(A) a process for annual reviews of and
3 reports to the Secretary on the State program
4 under this part—

5 “(i) which shall include such informa-
6 tion as may be necessary to measure State
7 compliance with Federal requirements for
8 expedited procedures and timely case proc-
9 essing, using such standards and proce-
10 dures as are required by the Secretary;
11 and

12 “(ii) under which the State agency
13 will determine the extent to which such
14 program is in conformity with applicable
15 requirements with respect to the operation
16 of State programs under this part (includ-
17 ing the status of complaints filed under the
18 procedure required under paragraph
19 (12)(B)); and

20 “(B) a process of extracting from the
21 State automated data processing system and
22 transmitting to the Secretary data and calcula-
23 tions concerning the levels of accomplishment
24 (and rates of improvement) with respect to ap-
25 plicable performance indicators (including IV-D

1 paternity establishment percentages and overall
2 performance in child support enforcement) to
3 the extent necessary for purposes of sections
4 452(g) and 458.”.

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

7 “(4)(A) review data and calculations transmit-
8 ted by State agencies pursuant to section
9 454(15)(B) on State program accomplishments with
10 respect to performance indicators for purposes of
11 section 452(g) and 458, and determine the amount
12 (if any) of penalty reductions pursuant to section
13 455(e) to be applied to the State;

14 “(B) review annual reports by State agencies
15 pursuant to section 454(15)(A) on State program
16 conformity with Federal requirements, evaluate any
17 elements of a State program in which significant de-
18 ficiencies are indicated by such report on the status
19 of complaints under the State procedure under sec-
20 tion 454(12)(B), and, as appropriate, provide to the
21 State agency comments, recommendations for addi-
22 tional or alternative corrective actions, and technical
23 assistance; and

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

4 “(i) at least once every 3 years (or more
5 frequently, in the case of a State which fails to
6 meet requirements of this part, or of regula-
7 tions implementing such requirements, concern-
8 ing performance standards and reliability of
9 program data) to assess the completeness, reli-
10 ability, and security of the data, and the accu-
11 racy of the reporting systems, used for the cal-
12 culations of performance indicators specified in
13 subsection (g) and section 458;

14 “(ii) of the adequacy of financial manage-
15 ment of the State program, including assess-
16 ments of—

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

22 “(II) whether collections and disburse-
23 ments of support payments and program
24 income are carried out correctly and are
25 properly and 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 on or after the date which is 1 year
6 after the date of the enactment of this section.

7 **SEC. 114. 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 and
15 timely case processing) to be applied in following such pro-
16 cedures” before the semicolon.

17 (b) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by section 104(a), is amended—

19 (1) by striking “and” at the end of paragraph
20 (24);

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

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

1 “(26) 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. 115. AUTOMATED DATA PROCESSING REQUIREMENTS.**

6 (a) REVISED REQUIREMENTS.—

7 (1) STATE PLAN.—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, but not limited
20 to,” and all that follows through the semicolon
21 and inserting a semicolon.

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

1 “AUTOMATED DATA PROCESSING

2 “SEC. 454A. (a) IN GENERAL.—In order to meet the
3 requirements of this section, for purposes of the require-
4 ment of section 454(16), a State agency shall have in op-
5 eration a single statewide automated data processing and
6 information retrieval system which has the capability to
7 perform the tasks specified in this section, and performs
8 such tasks with the frequency and in the manner specified
9 in this part or in regulations or guidelines of the Sec-
10 retary.

11 “(b) PROGRAM MANAGEMENT.—The automated sys-
12 tem required under this section shall perform such func-
13 tions as the Secretary may specify relating to management
14 of the program under this part, including—

15 “(1) controlling and accounting for use of Fed-
16 eral, State, and local funds to carry out such pro-
17 gram; and

18 “(2) maintaining the data necessary to meet
19 Federal reporting requirements on a timely basis.

20 “(c) CALCULATION OF PERFORMANCE INDICA-
21 TORS.—In order to enable the Secretary to determine the
22 incentive and penalty adjustments required by sections
23 452(g) and 458, the State agency shall—

24 “(1) use the automated system—

1 “(A) to maintain the requisite data on
2 State performance with respect to paternity es-
3 tablishment and child support enforcement in
4 the State; and

5 “(B) to calculate the IV–D paternity es-
6 tablishment percentage and overall performance
7 in child support enforcement for the State for
8 each fiscal year; and

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

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

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

1 “(A) permit access to and use of data only
2 to the extent necessary to carry out program re-
3 sponsibilities;

4 “(B) specify the data which may be used
5 for particular program purposes, and the per-
6 sonnel permitted access to such data; and

7 “(C) ensure that data obtained or disclosed
8 for a limited program purpose is not used or
9 redisclosed for another, impermissible purpose.

10 “(2) SYSTEMS CONTROLS.—Systems controls
11 (such as passwords or blocking of fields) to ensure
12 strict adherence to the policies specified under para-
13 graph (1).

14 “(3) MONITORING OF ACCESS.—Routine mon-
15 itoring of access to and use of the automated sys-
16 tem, through methods such as audit trails and feed-
17 back mechanisms, to guard against and promptly
18 identify unauthorized access or use.

19 “(4) TRAINING AND INFORMATION.—The State
20 agency shall have in effect procedures to ensure that
21 all personnel (including State and local agency staff
22 and contractors) who may have access to or be re-
23 quired to use sensitive or confidential program data
24 are fully informed of applicable requirements and

1 penalties, and are adequately trained in security pro-
2 cedures.

3 “(5) PENALTIES.—The State agency shall have
4 in effect administrative penalties (up to and includ-
5 ing dismissal from employment) for unauthorized ac-
6 cess to, or disclosure or use of, confidential data.”.

7 (3) REGULATIONS.—Section 452 (42 U.S.C.
8 652) is amended by adding at the end the following
9 new subsection:

10 “(j) The Secretary shall prescribe final regulations
11 for implementation of the requirements of section 454A
12 not later than 2 years after the date of the enactment of
13 this subsection.”.

14 (4) IMPLEMENTATION TIMETABLE.—Section
15 454(24) (42 U.S.C. 654(24)), as amended by sec-
16 tions 104(a)(2) and 114(b)(1), is amended to read
17 as follows:

18 “(24) provide that the State will have in effect
19 an automated data processing and information re-
20 trieval system—

21 “(A) by October 1, 1995, meeting all re-
22 quirements of this part which were enacted on
23 or before the date of the enactment of the Fam-
24 ily Support Act of 1988; and

1 “(B) by October 1, 1999, meeting all re-
2 quirements of this part enacted on or before the
3 date of the enactment of the Child Support Re-
4 sponsibility Act of 1995 (but this provision
5 shall not be construed to alter earlier deadlines
6 specified for elements of such system), except
7 that such deadline shall be extended by 1 day
8 for each day (if any) by which the Secretary
9 fails to meet the deadline imposed by section
10 452(j);”.

11 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
12 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
13 455(a) (42 U.S.C. 655(a)) is amended—

14 (1) in paragraph (1)(B)—

15 (A) by striking “90 percent” and inserting
16 “the percent specified in paragraph (3)”;

17 (B) by striking “so much of”; and

18 (C) by striking “which the Secretary” and
19 all that follows through “thereof”; and

20 (2) by adding at the end the following new
21 paragraph:

22 “(3)(A) The Secretary shall pay to each State, for
23 each quarter in fiscal year 1996, 90 percent of so much
24 of State expenditures described in paragraph (1)(B) as the
25 Secretary finds are for a system meeting the requirements

1 specified in section 454(16), or meeting such requirements
2 without regard to subparagraph (D) thereof.

3 “(B)(i) The Secretary shall pay to each State, for
4 each quarter in fiscal years 1997 through 2001, the per-
5 centage specified in clause (ii) of so much of State expend-
6 itures described in paragraph (1)(B) as the Secretary
7 finds are for a system meeting the requirements specified
8 in section 454(16) and 454A, subject to clause (iii).

9 “(ii) The percentage specified in this clause, for pur-
10 poses of clause (i), is the higher of—

11 “(I) 80 percent; or

12 “(II) the percentage otherwise applicable to
13 Federal payments to the State under subparagraph
14 (A) (as adjusted pursuant to section 458).”.

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

18 **SEC. 116. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

19 (a) REPORTING TO SECRETARY.—Section 452(a) (42
20 U.S.C. 652(a)) is amended in the matter preceding para-
21 graph (1) by striking “directly”.

22 (b) STAFFING STUDIES.—

23 (1) SCOPE.—The Secretary of Health and
24 Human Services (in this subsection referred to as
25 the “Secretary”) shall, directly or by contract, con-

1 duct studies of the staffing of each State child sup-
2 port enforcement program under part D of title IV
3 of the Social Security Act. Such studies shall—

4 (A) include a review of the staffing needs
5 created by requirements for automated data
6 processing, maintenance of a central case reg-
7 istry, and centralized collections of child sup-
8 port, and of changes in these needs resulting
9 from changes in such requirements; and

10 (B) examine and report on effective staff-
11 ing practices used by the States and on rec-
12 ommended staffing procedures.

13 (2) FREQUENCY OF STUDIES.—The Secretary
14 shall complete the first staffing study required under
15 paragraph (1) not later than October 1, 1997, and
16 may conduct additional studies subsequently at ap-
17 propriate intervals.

18 (3) REPORT TO CONGRESS.—The Secretary
19 shall submit a report to the Congress stating the
20 findings and conclusions of each study conducted
21 under this subsection.

1 **SEC. 117. FUNDING FOR SECRETARIAL ASSISTANCE TO**
2 **STATE PROGRAMS.**

3 Section 452 (42 U.S.C. 652), as amended by section
4 115(a)(3), is amended by adding at the end the following
5 new subsection:

6 “(k)(1) There shall be available to the Secretary,
7 from amounts appropriated for fiscal year 1996 and each
8 succeeding fiscal year for payments to States under this
9 part, the amount specified in paragraph (2) for the costs
10 to the Secretary for—

11 “(A) information dissemination and technical
12 assistance to States, training of State and Federal
13 staff, staffing studies, and related activities needed
14 to improve programs (including technical assistance
15 concerning State automated systems);

16 “(B) research, demonstration, and special
17 projects of regional or national significance relating
18 to the operation of State programs under this part;
19 and

20 “(C) operation of the Federal Parent Locator
21 Service under section 453, to the extent such costs
22 are not recovered through user fees.

23 “(2) The amount specified in this paragraph for a
24 fiscal year is the amount equal to a percentage of the re-
25 duction in Federal payments to States under part A on
26 account of child support (including arrearages) collected

1 in the preceding fiscal year on behalf of children receiving
2 aid under such part A in such preceding fiscal year (as
3 determined on the basis of the most recent reliable data
4 available to the Secretary as of the end of the third cal-
5 endar quarter following the end of such preceding fiscal
6 year), equal to—

7 “(A) 1 percent, for the activities specified in
8 subparagraphs (A) and (B) of paragraph (1); and

9 “(B) 2 percent, for the activities specified in
10 subparagraph (C) of paragraph (1).”.

11 **SEC. 118. DATA COLLECTION AND REPORTS BY THE SEC-**
12 **RETARY.**

13 (a) ANNUAL REPORT TO CONGRESS.—

14 (1) IN GENERAL.—Section 452(a)(10)(A) (42
15 U.S.C. 652(a)(10)(A)) is amended—

16 (A) by striking “this part;” and inserting
17 “this part, including—”; and

18 (B) by adding at the end the following in-
19 dented clauses:

20 “(i) the total amount of child support
21 payments collected as a result of services
22 furnished during such fiscal year to indi-
23 viduals receiving services under this part;

1 “(ii) the cost to the States and to the
2 Federal Government of furnishing such
3 services to those individuals; and

4 “(iii) the number of cases involving
5 families—

6 “(I) who became ineligible for aid
7 under part A during a month in such
8 fiscal year; and

9 “(II) with respect to whom a
10 child support payment was received in
11 the same month;”.

12 (2) CERTAIN DATA.—Section 452(a)(10)(C) (42
13 U.S.C. 652(a)(10)(C)) is amended—

14 (A) in the matter preceding clause (i), by
15 striking “with the data required under each
16 clause being separately stated for cases” and all
17 that follows through “part:” and inserting “sep-
18 arately stated for cases where the child is re-
19 ceiving aid to families with dependent children
20 (or foster care maintenance payments under
21 part E), or formerly received such aid or pay-
22 ments and the State is continuing to collect
23 support assigned to it under section 402(a)(26),
24 471(a)(17), or 1912, and all other cases under
25 this part—”;

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

4 (C) in clause (iii), by striking “described
5 in” and all that follows through the semicolon
6 and inserting “in which support was collected
7 during the fiscal year;”;

8 (D) by striking clause (iv);

9 (E) by redesignating clause (v) as clause
10 (vii), and inserting after clause (iii) the follow-
11 ing new clauses:

12 “(iv) the total amount of support col-
13 lected during such fiscal year and distrib-
14 uted as current support;

15 “(v) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as arrearages;

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

20 (3) USE OF FEDERAL COURTS.—Section
21 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amend-
22 ed by striking “on the use of Federal courts and”.

23 (4) ADDITIONAL INFORMATION NOT NEC-
24 ESSARY.—Section 452(a)(10) (42 U.S.C.

1 652(a)(10)) is amended by striking the matter fol-
2 lowing subparagraph (I).

3 (b) DATA COLLECTION AND REPORTING.—Section
4 469 (42 U.S.C. 669) is amended—

5 (1) by striking subsections (a) and (b) and in-
6 serting the following:

7 “(a) The Secretary shall collect and maintain for each
8 State for each fiscal year the data specified in subsection
9 (b) with respect to services to establish paternity and serv-
10 ices to establish child support obligations. The data with
11 respect to each such service shall be up-to-date and shall
12 be separately stated for families (or dependent children)
13 receiving aid under plans approved under part A or E and
14 for other families (or dependent children).

15 “(b) The data referred to in subsection (a) are—

16 “(1) the number of cases in the caseload of the
17 State agency administering the plan under this part
18 in which each service described in subsection (a) is
19 needed; and

20 “(2) the number of such cases in which the
21 service has been provided.”; and

22 (2) in subsection (c), by striking “(a)(2)” and
23 inserting “(b)(2)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to fiscal year
3 1996 and succeeding fiscal years.

4 **Subtitle C—Locate and Case**
5 **Tracking**

6 **SEC. 121. CENTRAL STATE AND CASE REGISTRY.**

7 Section 454A, as added by section 115(a)(2), is
8 amended by adding at the end the following new sub-
9 sections:

10 “(e) CENTRAL CASE REGISTRY.—

11 “(1) IN GENERAL.—The automated system re-
12 quired under this section shall perform the func-
13 tions, in accordance with the provisions of this sub-
14 section, of a single central registry containing
15 records with respect to each case in which services
16 are being provided by the State agency (including,
17 on and after October 1, 1998, each order specified
18 in section 466(a)(12)), using such standardized data
19 elements (such as names, Social Security numbers or
20 other uniform identification numbers, dates of birth,
21 and case identification numbers), and containing
22 such other information (such as information on case
23 status) as the Secretary may require.

24 “(2) PAYMENT RECORDS.—Each case record in
25 the central registry shall include a record of—

1 “(A) the amount of monthly (or other peri-
2 odic) support owed under the support order,
3 and other amounts due or overdue (including
4 arrears, interest or late payment penalties, and
5 fees);

6 “(B) the date on which or circumstances
7 under which the support obligation will termi-
8 nate under such order;

9 “(C) all child support and related amounts
10 collected (including such amounts as fees, late
11 payment penalties, and interest on arrearages);

12 “(D) the distribution of such amounts col-
13 lected; and

14 “(E) the birth date of the child for whom
15 the child support order is entered.

16 “(3) UPDATING AND MONITORING.—The State
17 agency shall promptly establish and maintain, and
18 regularly monitor, case records in the registry re-
19 quired by this subsection, on the basis of—

20 “(A) information on administrative actions
21 and administrative and judicial proceedings and
22 orders relating to paternity and support;

23 “(B) information obtained from matches
24 with Federal, State, or local data sources;

1 “(C) information on support collections
2 and distributions; and

3 “(D) any other relevant information.

4 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
5 INFORMATION.—In order to obtain (or provide) informa-
6 tion necessary to enable the State agency (or other State
7 or Federal agencies) to carry out responsibilities under
8 this part, the automated system required under this sec-
9 tion shall have the capacity, and be used by the State
10 agency to extract data at such times, and in such stand-
11 ardized format or formats, as may be required by the Sec-
12 retary, and to share and match data with, and receive data
13 from, other data bases and data matching services. Data
14 matching activities of the State agency shall include at
15 least the following:

16 “(1) DATA BANK OF CHILD SUPPORT OR-
17 DERS.—Furnishing to the Data Bank of Child Sup-
18 port Orders established under section 453(h) mini-
19 mal information (as specified by the Secretary) on
20 each child support case in the central case registry,
21 and updating such information as necessary (includ-
22 ing notice of expiration of orders).

23 “(2) FEDERAL PARENT LOCATOR SERVICE.—
24 Exchanging data with the Federal Parent Locator
25 Service for the purposes specified in section 453.

1 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
2 changing data with State agencies (of the State and
3 of other States) administering the programs under
4 part A and title XIX, as necessary for the perform-
5 ance of State agency responsibilities under this part
6 and under such programs.

7 “(4) INTRA- AND INTERSTATE DATA
8 MATCHES.—Exchanging data with other agencies of
9 the State, agencies of other States, and interstate
10 information networks, as necessary and appropriate
11 to carry out (or assist other States to carry out) the
12 purposes of this part.”.

13 **SEC. 122. CENTRALIZED COLLECTION AND DISBURSEMENT**
14 **OF SUPPORT PAYMENTS.**

15 (a) STATE PLAN REQUIREMENT.—Section 454 (42
16 U.S.C. 654), as amended by sections 104(a) and 114(b),
17 is amended—

18 (1) by striking “and” at the end of paragraph
19 (25);

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

22 (3) by adding after paragraph (26) the follow-
23 ing new paragraph:

24 “(27) provide that the State agency, on and
25 after October 1, 1998—

1 “(1) operated directly by the State agency (or
2 by 2 or more State agencies under a regional cooper-
3 ative agreement), or by a single contractor respon-
4 sible directly to the State agency; and

5 “(2) used for the collection and disbursement
6 (including interstate collection and disbursement) of
7 payments under support orders in all cases being en-
8 forced by the State pursuant to section 454(4).

9 “(b) REQUIRED PROCEDURES.—The centralized col-
10 lections unit shall use automated procedures, electronic
11 processes, and computer-driven technology to the maxi-
12 mum extent feasible, efficient, and economical, for the col-
13 lection and disbursement of support payments, including
14 procedures—

15 “(1) for receipt of payments from parents, em-
16 ployers, and other States, and for disbursements to
17 custodial parents and other obligees, the State agen-
18 cy, and the State agencies of other States;

19 “(2) for accurate identification of payments;

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

22 “(4) to furnish to either parent, upon request,
23 timely information on the current status of support
24 payments.”.

1 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
2 added by section 115(a)(2) and as amended by section
3 121, is amended by adding at the end the following new
4 subsection:

5 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
6 OF SUPPORT PAYMENTS.—The automated system re-
7 quired under this section shall be used, to the maximum
8 extent feasible, to assist and facilitate collections and dis-
9 bursement of support payments through the centralized
10 collections unit operated pursuant to section 454B,
11 through the performance of functions including at a mini-
12 mum—

13 “(1) generation of orders and notices to em-
14 ployers (and other debtors) for the withholding of
15 wages (and other income)—

16 “(A) within 2 working days after receipt
17 (from the directory of New Hires established
18 under section 453(i) or any other source) of no-
19 tice of and the income source subject to such
20 withholding; and

21 “(B) using uniform formats directed by
22 the Secretary;

23 “(2) ongoing monitoring to promptly identify
24 failures to make timely payment; and

1 “(3) automatic use of enforcement mechanisms
2 (including mechanisms authorized pursuant to sec-
3 tion 466(c)) where payments are not timely made.”.

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

6 **SEC. 123. AMENDMENTS CONCERNING INCOME WITHHOLD-**
7 **ING.**

8 (a) MANDATORY INCOME WITHHOLDING.—

9 (1) FROM WAGES.—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 all child support
16 orders issued (or modified) before October 1, 1996,
17 and which are not otherwise subject to withholding
18 under subsection (b), shall become subject to with-
19 holding from wages as provided in subsection (b) if
20 arrearages occur, without the need for a judicial or
21 administrative hearing.”.

22 (2) REPEAL OF CERTAIN PROVISIONS CONCERN-
23 ING ARREARAGES.—Section 466(a)(8) (42 U.S.C.
24 666(a)(8)) is repealed.

1 (3) PROCEDURES DESCRIBED.—Section 466(b)
2 (42 U.S.C. 666(b)) is amended—

3 (A) in the matter preceding paragraph (1),
4 by striking “subsection (a)(1)” and inserting
5 “subsection (a)(1)(A)”;

6 (B) in paragraph (5), by striking “a public
7 agency” and all that follows through the period
8 and inserting “the State through the central-
9 ized collections unit established pursuant to sec-
10 tion 454B, in accordance with the requirements
11 of such section 454B.”;

12 (C) in paragraph (6)(A)(i)—

13 (i) by inserting “, in accordance with
14 timetables established by the Secretary,”
15 after “must be required”; and

16 (ii) by striking “to the appropriate
17 agency” and all that follows through the
18 period and inserting “to the State central-
19 ized collections unit within 5 working days
20 after the date such amount would (but for
21 this subsection) have been paid or credited
22 to the employee, for distribution in accord-
23 ance with this part.”;

1 (D) in paragraph (6)(A)(ii), by inserting
2 “be in a standard format prescribed by the Sec-
3 retary, and” after “shall”; and

4 (E) in paragraph (6)(D) to read as follows:

5 “(D) Provision must be made for the imposition
6 of a fine against any employer who—

7 “(i) discharges from employment, refuses
8 to employ, or takes disciplinary action against
9 any absent parent subject to wage withholding
10 required by this subsection because of the exist-
11 ence of such withholding and the obligations or
12 additional obligations which it imposes upon the
13 employer; or

14 “(ii) fails to withhold support from wages,
15 or to pay such amounts to the State centralized
16 collections unit in accordance with this sub-
17 section.”.

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

20 (c) DEFINITION OF TERMS.—The Secretary of
21 Health and Human Services shall promulgate regulations
22 providing definitions, for purposes of part D of title IV
23 of the Social Security Act, for the term “income” and for
24 such other terms relating to income withholding under sec-

1 tion 466(b) of such Act as the Secretary may find it nec-
2 essary or advisable to define.

3 **SEC. 124. LOCATOR INFORMATION FROM INTERSTATE NET-**
4 **WORKS.**

5 Section 466(a) (42 U.S.C. 666(a)), as amended by
6 section 123(a)(2), is amended by inserting after para-
7 graph (7) the following new paragraph:

8 “(8) Procedures ensuring that the State will
9 neither provide funding for, nor use for any purpose
10 (including any purpose unrelated to the purposes of
11 this part), any automated interstate network or sys-
12 tem used to locate individuals—

13 “(A) for purposes relating to the use of
14 motor vehicles; or

15 “(B) providing information for law en-
16 forcement purposes (where child support en-
17 forcement agencies are otherwise allowed access
18 by State and Federal law),

19 unless all Federal and State agencies administering
20 programs under this part (including the entities es-
21 tablished under section 453) have access to informa-
22 tion in such system or network to the same extent
23 as any other user of such system or network.”.

1 **SEC. 125. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

2 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
3 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
4 amended—

5 (1) in subsection (a), by striking “information
6 as to the whereabouts” and all that follows through
7 the period and inserting “, for the purpose of estab-
8 lishing parentage, or establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations—

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

13 “(A) who is under an obligation to pay
14 child support;

15 “(B) against whom such an obligation is
16 sought; or

17 “(C) to whom such an obligation is owed,
18 including such individual’s Social Security num-
19 ber (or numbers), most recent residential ad-
20 dress, and the name, address, and employer
21 identification number of such individual’s em-
22 ployer;

23 “(2) information on the individual’s wages (or
24 other income) from, and benefits of, employment (in-
25 cluding rights to or enrollment in group health care
26 coverage); and

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

4 (2) in subsection (b)—

5 (A) in the matter preceding paragraph (1),
6 by striking “social security” and all that follows
7 through “absent parent” and inserting “infor-
8 mation specified in subsection (a)”;

9 (B) in paragraph (2), by inserting before
10 the period “, or from any consumer reporting
11 agency (as defined in section 603(f) of the Fair
12 Credit Reporting Act (15 U.S.C. 1681a(f))”;
13 and

14 (3) in subsection (e)(1), by inserting before the
15 period “, or by consumer reporting agencies”.

16 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
17 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
18 amended in the fourth sentence by inserting before the
19 period “in an amount which the Secretary determines to
20 be reasonable payment for the data exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the data)”.

23 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
24 CREDIT REPORTING ACT.—

1 (1) IN GENERAL.—Section 608 of the Fair
2 Credit Reporting Act (15 U.S.C. 1681f) is amend-
3 ed—

4 (A) by striking “, limited to” and inserting
5 “to a governmental agency (including the entire
6 consumer report, in the case of a Federal,
7 State, or local agency administering a program
8 under part D of title IV of the Social Security
9 Act, and limited to”; and

10 (B) by striking “employment, to a govern-
11 mental agency” and inserting “employment, in
12 the case of any other governmental agency”).

13 (2) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
15 U.S.C. 653) is amended by adding at the end the
16 following new subsection:

17 “(g) The Secretary is authorized to reimburse to
18 State agencies and consumer credit reporting agencies the
19 costs incurred by such entities in furnishing information
20 requested by the Secretary pursuant to this section in an
21 amount which the Secretary determines to be reasonable
22 payment for the data exchange (which amount shall not
23 include payment for the costs of obtaining, compiling, or
24 maintaining the data).”.

25 (d) DISCLOSURE OF TAX RETURN INFORMATION.—

1 (1) BY THE SECRETARY OF THE TREASURY.—
2 Section 6103(l)(6)(A)(ii) of the Internal Revenue
3 Code of 1986 (relating to disclosure of return infor-
4 mation to Federal, State, and local child support en-
5 forcement agencies) is amended by striking “, but
6 only if” and all that follows through the period and
7 inserting a period.

8 (2) BY THE SOCIAL SECURITY ADMINISTRA-
9 TION.—Section 6103(l)(8)(A) of the Internal Reve-
10 nue Code of 1986 (relating to disclosure of certain
11 return information by Social Security Administra-
12 tion to State and local child support enforcement
13 agencies) is amended by striking “State or local”
14 and inserting “Federal, State, or local”.

15 (e) REFERENCES TO PARENT LOCATOR SERVICE.—

16 (1) IN GENERAL.—Sections 452(a)(9), 453(a),
17 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9),
18 653(a), 653(b), 663(a), and 663(e)) are each
19 amended by inserting “Federal” before “Parent”
20 each place it appears.

21 (2) IN HEADING OF SECTION 453.—Section 453
22 (42 U.S.C. 653) is amended in the heading by in-
23 serting “FEDERAL” before “PARENT”.

1 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
2 653), as amended by subsection (c)(2), is amended by add-
3 ing at the end the following new subsections:

4 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

5 “(1) IN GENERAL.—Not later than October 1,
6 1998, in order to assist States in administering their
7 State plans under this part and parts A, F, and G,
8 and for the other purposes specified in this section,
9 the Secretary shall establish and maintain in the
10 Federal Parent Locator Service an automated reg-
11 istry to be known as the Data Bank of Child Sup-
12 port Orders, which shall contain abstracts of child
13 support orders and other information described in
14 paragraph (2) on each case in each State central
15 case registry maintained pursuant to section
16 454A(e), as furnished (and regularly updated), pur-
17 suant to section 454A(f), by State agencies admin-
18 istering programs under this part.

19 “(2) CASE INFORMATION.—The information re-
20 ferred to in paragraph (1), as specified by the Sec-
21 retary, shall include sufficient information (including
22 names, social security numbers or other uniform
23 identification numbers, and State case identification
24 numbers) to identify the individuals who owe or are
25 owed support (or with respect to or on behalf of

1 whom support obligations are sought to be estab-
2 lished), and the State or States which have estab-
3 lished or modified, or are enforcing or seeking to es-
4 tablish, such an order.

5 “(i) DIRECTORY OF NEW HIRES.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1998, in order to assist States in administering their
8 State plans under this part and parts A, F, and G,
9 and for the other purposes specified in this section,
10 the Secretary shall establish and maintain in the
11 Federal Parent Locator Service an automated direc-
12 tory to be known as the directory of New Hires, con-
13 taining—

14 “(A) information supplied by employers on
15 each newly hired individual, in accordance with
16 paragraph (2); and

17 “(B) information supplied by State agen-
18 cies administering State unemployment com-
19 pensation laws, in accordance with paragraph
20 (3).

21 “(2) EMPLOYER INFORMATION.—

22 “(A) INFORMATION REQUIRED.—Subject
23 to subparagraph (D), each employer shall fur-
24 nish to the Secretary, for inclusion in the direc-
25 tory under this subsection, not later than 10

1 days after the date (on or after October 1,
2 1998) on which the employer hires a new em-
3 ployee (as defined in subparagraph (C)), a re-
4 port containing the name, date of birth, and so-
5 cial security number of such employee, and the
6 employer identification number of the employer.

7 “(B) REPORTING METHOD AND FOR-
8 MAT.—The Secretary shall provide for trans-
9 mission of the reports required under subpara-
10 graph (A) using formats and methods which
11 minimize the burden on employers, which shall
12 include—

13 “(i) automated or electronic trans-
14 mission of such reports;

15 “(ii) transmission by regular mail;
16 and

17 “(iii) transmission of a copy of the
18 form required for purposes of compliance
19 with section 3402 of the Internal Revenue
20 Code of 1986.

21 “(C) EMPLOYEE DEFINED.—For purposes
22 of this paragraph, the term ‘employee’ means
23 any individual subject to the requirement of
24 section 3402(f)(2) of the Internal Revenue Code
25 of 1986.

1 “(D) PAPERWORK REDUCTION REQUIRE-
2 MENT.—As required by the information re-
3 sources management policies published by the
4 Director of the Office of Management and
5 Budget pursuant to section 3504(b)(1) of title
6 44, United States Code, the Secretary, in order
7 to minimize the cost and reporting burden on
8 employers, shall not require reporting pursuant
9 to this paragraph if an alternative reporting
10 mechanism can be developed that either relies
11 on existing Federal or State reporting or en-
12 ables the Secretary to collect the needed infor-
13 mation in a more cost-effective and equally ex-
14 peditious manner, taking into account the re-
15 porting costs on employers.

16 “(E) CIVIL MONEY PENALTY ON NON-
17 COMPLYING EMPLOYERS.—

18 “(i) IN GENERAL.—Any employer who
19 fails to make a timely report in accordance
20 with this paragraph with respect to an in-
21 dividual shall be subject to a civil money
22 penalty, for each calendar year in which
23 the failure occurs, of the lesser of \$500 or
24 1 percent of the wages or other compensa-

1 tion paid by such employer to such individ-
2 ual during such calendar year.

3 “(ii) APPLICATION OF SECTION
4 1128A.—Subject to clause (iii), the provi-
5 sions of section 1128A (other than sub-
6 sections (a) and (b) thereof) shall apply to
7 a civil money penalty under clause (i) in
8 the same manner as they apply to a civil
9 money penalty or proceeding under section
10 1128A(a).

11 “(iii) COSTS TO SECRETARY.—Any
12 employer with respect to whom a penalty
13 under this subparagraph is upheld after an
14 administrative hearing shall be liable to
15 pay all costs of the Secretary with respect
16 to such hearing.

17 “(3) EMPLOYMENT SECURITY INFORMATION.—

18 “(A) REPORTING REQUIREMENT.—Each
19 State agency administering a State unemploy-
20 ment compensation law approved by the Sec-
21 retary of Labor under the Federal Unemploy-
22 ment Tax Act shall furnish to the Secretary ex-
23 tracts of the reports to the Secretary of Labor
24 concerning the wages and unemployment com-
25 pensation paid to individuals required under

1 section 303(a)(6), in accordance with subpara-
2 graph (B).

3 “(B) MANNER OF COMPLIANCE.—The ex-
4 tracts required under subparagraph (A) shall be
5 furnished to the Secretary on a quarterly basis,
6 with respect to calendar quarters beginning on
7 and after October 1, 1996, by such dates, in
8 such format, and containing such information
9 as required by the Secretary in regulations.

10 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

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

13 “(A) TRANSMISSION OF DATA.—The Sec-
14 retary shall transmit data on individuals and
15 employers in the registries maintained under
16 this section to the Social Security Administra-
17 tion to the extent necessary for verification in
18 accordance with subparagraph (B).

19 “(B) VERIFICATION.—The Commissioner
20 of Social Security shall verify the accuracy of,
21 correct or supply to the extent necessary and
22 feasible, and report to the Secretary, the follow-
23 ing information on data supplied by the Sec-
24 retary pursuant to subparagraph (A):

1 “(i) the name, social security number,
2 and birth date of each individual; and

3 “(ii) the employer identification num-
4 ber of each employer.

5 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
6 the purpose of locating individuals for purposes of
7 paternity establishment and establishment and en-
8 forcement of child support, the Secretary shall—

9 “(A) match data in the directory of New
10 Hires against the child support order abstracts
11 in the Data Bank of Child Support Orders not
12 less than every 2 working days; and

13 “(B) report information obtained from a
14 match established under subparagraph (A) to
15 concerned State agencies operating programs
16 under this part not later than 2 working days
17 after such match.

18 “(3) DATA MATCHES AND DISCLOSURES OF
19 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
20 PURPOSES.—The Secretary shall—

21 “(A) perform matches of data in each com-
22 ponent of the Federal Parent Locator Service
23 maintained under this section against data in
24 each other such component (other than the
25 matches required pursuant to paragraph (1)),

1 and report information resulting from such
2 matches to State agencies operating programs
3 under this part and parts A, F, and (G); and

4 “(B) disclose data in such registries to
5 such State agencies,

6 to the extent, and with the frequency, that the Sec-
7 retary determines to be effective in assisting such
8 States to carry out their responsibilities under such
9 programs.

10 “(k) FEES.—

11 “(1) FOR SSA VERIFICATION.—The Secretary
12 shall reimburse the Commissioner of Social Security,
13 at a rate negotiated between the Secretary and the
14 Commissioner, for the costs incurred by the Com-
15 missioner in performing the verification services
16 specified in subsection (j).

17 “(2) FOR INFORMATION FROM SESAS.—The
18 Secretary shall reimburse costs incurred by State
19 employment security agencies in furnishing data as
20 required by subsection (i)(3), at rates which the Sec-
21 retary determines to be reasonable (which rates shall
22 not include payment for the costs of obtaining, com-
23 piling, or maintaining such data).

24 “(3) FOR INFORMATION FURNISHED TO STATE
25 AND FEDERAL AGENCIES.—State and Federal agen-

1 cies receiving data or information from the Secretary
2 pursuant to this section shall reimburse the costs in-
3 curred by the Secretary in furnishing such data or
4 information, at rates which the Secretary determines
5 to be reasonable (which rates shall include payment
6 for the costs of obtaining, verifying, maintaining,
7 and matching such data or information).

8 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data
9 in the Federal Parent Locator Service, and information
10 resulting from matches using data, shall not be used or
11 disclosed except as specifically provided in this section.

12 “(m) RETENTION OF DATA.—Data in the Federal
13 Parent Locator Service, and data resulting from matches
14 performed pursuant to this section, shall be retained for
15 such period (determined by the Secretary) as appropriate
16 for the data uses specified in this section.

17 “(n) INFORMATION INTEGRITY AND SECURITY.—The
18 Secretary shall establish and implement safeguards with
19 respect to the entities established under this section de-
20 signed to—

21 “(1) ensure the accuracy and completeness of
22 information in the Federal Parent Locator Service;
23 and

24 “(2) restrict access to confidential information
25 in the Federal Parent Locator Service to authorized

1 persons, and restrict use of such information to au-
2 thorized purposes.

3 “(o) LIMIT ON LIABILITY.—The Secretary shall not
4 be liable to either a State or an individual for inaccurate
5 information provided to a component of the Federal Par-
6 ent Locator Service and disclosed by the Secretary in ac-
7 cordance with this section.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
10 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
11 654(8)(B)) is amended to read as follows:

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

14 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
15 Section 3304(a)(16) of the Internal Revenue Code of
16 1986 (relating to approval of State laws) is amend-
17 ed—

18 (A) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and
20 inserting “Secretary of Health and Human
21 Services”;

22 (B) in subparagraph (B), by striking
23 “such information” and all that follows through
24 the semicolon and inserting “information fur-
25 nished under subparagraph (A) or (B) is used

1 only for the purposes authorized under such
2 subparagraph,”;

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

5 (D) by redesignating subparagraph (B) as
6 subparagraph (C); and

7 (E) by inserting after subparagraph (A)
8 the following new subparagraph:

9 “(B) wage and unemployment compensa-
10 tion information contained in the records of
11 such agency shall be furnished to the Secretary
12 of Health and Human Services (in accordance
13 with regulations promulgated by such Sec-
14 retary) as necessary for the purposes of the di-
15 rectory of New Hires established under section
16 453(i) of the Social Security Act, and”.

17 (3) TO STATE GRANT PROGRAM UNDER TITLE
18 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
19 (42 U.S.C. 503(a)) is amended—

20 (A) by striking “and” at the end of para-
21 graph (8);

22 (B) by striking the period at the end of
23 paragraph (9) and inserting “; and”; and

24 (C) by adding at the end the following new
25 paragraph:

1 “(10) The making of quarterly electronic re-
2 ports, at such dates, in such format, and containing
3 such information, as required by the Secretary under
4 section 453(i)(3), and compliance with such provi-
5 sions as the Secretary may find necessary to ensure
6 the correctness and verification of such reports.”.

7 **SEC. 126. USE OF SOCIAL SECURITY NUMBERS.**

8 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
9 U.S.C. 666(a)), as amended by section 101(a), is amended
10 by adding at the end the following new paragraph:

11 “(13) Procedures requiring the recording of so-
12 cial security numbers—

13 “(A) of both parties on marriage licenses
14 and divorce decrees; and

15 “(B) of both parents, on birth records and
16 child support and paternity orders.”.

17 (b) CLARIFICATION OF FEDERAL POLICY.—Section
18 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
19 by striking the third sentence and inserting “This clause
20 shall not be considered to authorize disclosure of such
21 numbers except as provided in the preceding sentence.”.

1 **Subtitle D—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 131. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 101(a) and 126(a), is amended by adding at the
6 end the following new paragraph:

7 “(14)(A) Procedures under which the State
8 adopts in its entirety (with the modifications and ad-
9 ditions specified in this paragraph) not later than
10 January 1, 1997, and uses on and after such date,
11 the Uniform Interstate Family Support Act, as ap-
12 proved by the National Conference of Commissioners
13 on Uniform State Laws in August 1992.

14 “(B) The State law adopted pursuant to sub-
15 paragraph (A) shall be applied to any case—

16 “(i) involving an order established or modi-
17 fied in one State and for which a subsequent
18 modification is sought in another State; or

19 “(ii) in which interstate activity is required
20 to enforce an order.

21 “(C) The State law adopted pursuant to sub-
22 paragraph (A) of this paragraph shall contain the
23 following provision in lieu of section 611(a)(1) of the
24 Uniform Interstate Family Support Act described in
25 such subparagraph (A):

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and
3 the obligor—

4 “(I) do not reside in the issuing
5 State; and

6 “(II) either reside in this State or
7 are subject to the jurisdiction of this State
8 pursuant to section 201; and

9 “(ii) in any case where another State is
10 exercising or seeks to exercise jurisdiction to
11 modify the order, the conditions of section 204
12 are met to the same extent as required for pro-
13 ceedings to establish orders; or’.

14 “(D) The State law adopted pursuant to sub-
15 paragraph (A) shall recognize as valid, for purposes
16 of any proceeding subject to such State law, service
17 of process upon persons in the State (and proof of
18 such service) by any means acceptable in another
19 State which is the initiating or responding State in
20 such proceeding.

21 “(E) The State law adopted pursuant to sub-
22 paragraph (A) shall provide for the use of proce-
23 dures (including sanctions for noncompliance) under
24 which all entities in the State (including for-profit,
25 nonprofit, and governmental employers) are required

1 to provide promptly, in response to a request by the
2 State agency of that or any other State administer-
3 ing a program under this part, information on the
4 employment, compensation, and benefits of any indi-
5 vidual employed by such entity as an employee or
6 contractor.”.

7 **SEC. 132. IMPROVEMENTS TO FULL FAITH AND CREDIT**
8 **FOR CHILD SUPPORT ORDERS.**

9 Section 1738B of title 28, United States Code, is
10 amended—

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

13 (2) in subsection (b), by inserting after the first
14 undesignated paragraph the following:

15 “‘child’s home State’ means the State in which
16 a child lived with a parent or a person acting as par-
17 ent for at least 6 consecutive months immediately
18 preceding the time of filing of a petition or com-
19 parable pleading for support and, if a child is less
20 than 6 months old, the State in which the child lived
21 from birth with any of them. A period of temporary
22 absence of any of them is counted as part of the 6-
23 month period.”;

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

1 (4) in subsection (c)(1), by inserting “, and
2 subsections (e), (f), and (g)” after “located”;

3 (5) in subsection (d)—

4 (A) by inserting “individual” before “con-
5 testant”; and

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

8 (6) in subsection (e), by striking “make a modi-
9 fication of a child support order with respect to a
10 child that is made” and inserting “modify a child
11 support order issued”;

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

14 (8) in subsection (e)(2)—

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

17 (B) by striking “to that court’s making the
18 modification and assuming” and inserting “with
19 the State of continuing, exclusive jurisdiction
20 for a court of another State to modify the order
21 and assume”;

22 (9) by redesignating subsections (f) and (g) as
23 subsections (g) and (h), respectively;

24 (10) by inserting after subsection (e) the follow-
25 ing new subsection:

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

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

9 “(2) If 2 or more courts have issued child sup-
10 port orders for the same obligor and child, and only
11 1 of the courts would have continuing, exclusive ju-
12 risdiction under this section, the order of that court
13 must be recognized.

14 “(3) If 2 or more courts have issued child sup-
15 port orders for the same obligor and child, and only
16 1 of the courts would have continuing, exclusive ju-
17 risdiction under this section, an order issued by a
18 court in the current home State of the child must
19 be recognized, but if an order has not been issued
20 in the current home State of the child, the order
21 most recently issued must be recognized.

22 “(4) If 2 or more courts have issued child sup-
23 port orders for the same obligor and child, and none
24 of the courts would have continuing, exclusive juris-

1 diction under this section, a court may issue a child
2 support order, which must be recognized.

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

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

7 (A) by striking “PRIOR” and inserting
8 “MODIFIED”; and

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

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

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

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

17 (13) by adding at the end the following new
18 subsection:

19 “(i) REGISTRATION FOR MODIFICATION.—If there is
20 no individual contestant or child residing in the issuing
21 State, the party or support enforcement agency seeking
22 to modify, or to modify and enforce, a child support order
23 issued in another State shall register that order in a State
24 with jurisdiction over the nonmovant for the purpose of
25 modification.”.

1 **SEC. 133. STATE LAWS PROVIDING EXPEDITED PROCE-**
2 **DURES.**

3 (a) STATE LAW REQUIREMENTS.—Section 466 (42
4 U.S.C. 666), as amended by section 123(b), is amended—

5 (1) in subsection (a)(2), in the first sentence, to
6 read as follows: “Expedited administrative and judi-
7 cial procedures (including the procedures specified in
8 subsection (c)) for establishing paternity and for es-
9 tablishing, modifying, and enforcing support obliga-
10 tions.”; and

11 (2) by adding after subsection (b) the following
12 new subsection:

13 “(c) The procedures specified in this subsection are
14 the following:

15 “(1) Procedures which give the State agency
16 the authority (and recognize and enforce the author-
17 ity of State agencies of other States), without the
18 necessity of obtaining an order from any other judi-
19 cial or administrative tribunal to take the following
20 actions relating to establishment or enforcement of
21 orders:

22 “(A) To order genetic testing for the pur-
23 pose of paternity establishment as provided in
24 section 466(a)(5).

1 “(B) To enter a default order, upon a
2 showing of service of process and any additional
3 showing required by State law—

4 “(i) establishing paternity, in the case
5 of any putative father who refuses to sub-
6 mit to genetic testing; and

7 “(ii) establishing a support obligation
8 (or modifying a support obligation issued
9 by the agency), in the case of a parent (or
10 other obligor or obligee) who fails to re-
11 spond to notice to appear at a proceeding
12 for such purpose.

13 “(C) To subpoena any financial or other
14 information needed to establish, modify, or en-
15 force an order, and to sanction failure to re-
16 spond to any such subpoena.

17 “(D) To provide access, subject to safe-
18 guards on privacy and information security, to
19 the following records (including automated ac-
20 cess, in the case of records maintained in auto-
21 mated data bases):

22 “(i) Records of the State and local
23 government agencies, including—

1 “(I) vital statistics (including
2 records of marriage, birth, and di-
3 vorce);

4 “(II) state and local tax and rev-
5 enue records (including information
6 on residence address, employer, in-
7 come and assets);

8 “(III) records concerning real
9 and titled personal property;

10 “(IV) records of occupational and
11 professional licenses, and records con-
12 cerning the ownership and control of
13 corporations, partnerships, and other
14 business entities;

15 “(V) employment security
16 records;

17 “(VI) records of agencies admin-
18 istering public assistance programs;

19 “(VII) records of the motor vehi-
20 cle department; and

21 “(VIII) corrections records.

22 “(ii) Certain records held by private
23 entities, including—

1 “(I) customer records of public
2 utilities and cable television compa-
3 nies; and

4 “(II) information (including in-
5 formation on assets and liabilities) on
6 individuals who owe or are owed sup-
7 port (or against or with respect to
8 whom a support obligation is sought)
9 held by financial institutions (subject
10 to limitations on liability of such enti-
11 ties arising from affording such ac-
12 cess).

13 “(E) To order income withholding in ac-
14 cordance with subsection (a)(1) and (b) of sec-
15 tion 466.

16 “(F) In cases where support is subject to
17 an assignment under section 402(a)(26),
18 471(a)(17), or 1912, or to a requirement to pay
19 through the centralized collections unit under
20 section 454B, upon providing notice to obligor
21 and obligee, to direct the obligor or other payor
22 to change the payee to the appropriate govern-
23 ment entity.

24 “(G) For the purpose of securing overdue
25 support—

1 “(i) to intercept and seize any peri-
2 odic or lump-sum payment to the obligor
3 by or through a State or local government
4 agency, including—

5 “(I) unemployment compensa-
6 tion, workers’ compensation, and
7 other benefits;

8 “(II) judgments and settlements
9 in cases under the jurisdiction of the
10 State or local government; and

11 “(III) lottery winnings;

12 “(ii) to attach and seize assets of the
13 obligor held by financial institutions;

14 “(iii) to attach public and private re-
15 tirement funds in appropriate cases, as de-
16 termined by the Secretary; and

17 “(iv) to impose liens in accordance
18 with subsection (a)(4) and, in appropriate
19 cases, to force sale of property and dis-
20 tribution of proceeds.

21 “(H) For the purpose of securing overdue
22 support, to increase the amount of monthly
23 support payments to include amounts for ar-
24 rearages (subject to such conditions or restric-
25 tions as the State may provide).

1 “(I) To suspend drivers’ licenses of individ-
2 uals owing past-due support, in accordance with
3 subsection (a)(16).

4 “(2) The procedures required under paragraph
5 (1) shall be subject to due process safeguards, in-
6 cluding (as appropriate) requirements for notice, op-
7 portunity to contest the action, and opportunity for
8 an appeal on the record to an independent adminis-
9 trative or judicial tribunal.

10 “(3) The expedited procedures required under
11 subsection (a)(2) shall include the following rules
12 and authority, applicable with respect to all proceed-
13 ings to establish paternity or to establish, modify, or
14 enforce support orders:

15 “(A) Procedures under which—

16 “(i) the parties to any paternity or
17 child support proceedings are required
18 (subject to privacy safeguards) to file with
19 the tribunal before entry of an order, and
20 to update as appropriate, information on
21 location and identity (including social secu-
22 rity number, residential and mailing ad-
23 dresses, telephone number, driver’s license
24 number, and name, address, and telephone
25 number of employer); and

1 “(ii) in any subsequent child support
2 enforcement action between the same par-
3 ties, the tribunal shall be authorized, upon
4 sufficient showing that diligent effort has
5 been made to ascertain such a party’s cur-
6 rent location, to deem due process require-
7 ments for notice and service of process to
8 be met, with respect to such party, by de-
9 livery to the most recent residential or em-
10 ployer address so filed pursuant to clause
11 (i).

12 “(B) Procedures under which—

13 “(i) the State agency and any admin-
14 istrative or judicial tribunal with authority
15 to hear child support and paternity cases
16 exerts statewide jurisdiction over the par-
17 ties, and orders issued in such cases have
18 statewide effect; and

19 “(ii) in the case of a State in which
20 orders in such cases are issued by local ju-
21 risdictions, a case may be transferred be-
22 tween jurisdictions in the State without
23 need for any additional filing by the peti-
24 tioner, or service of process upon the re-

1 spondent, to retain jurisdiction over the
2 parties.”.

3 (b) EXCEPTIONS FROM STATE LAW REQUIRE-
4 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
5 ed—

6 (1) by striking “(d) If” and inserting “(d)(1)
7 Subject to paragraph (2), if”; and

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

10 “(2) The Secretary shall not grant an exemption
11 from the requirements of—

12 “(A) subsection (a)(5) (concerning procedures
13 for paternity establishment);

14 “(B) subsection (a)(10) (concerning modifica-
15 tion of orders);

16 “(C) subsection (a)(12) (concerning recording
17 of orders in the central State case registry);

18 “(D) subsection (a)(13) (concerning recording
19 of social security numbers);

20 “(E) subsection (a)(14) (concerning interstate
21 enforcement); or

22 “(F) subsection (c) (concerning expedited pro-
23 cedures), other than paragraph (1)(A) thereof (con-
24 cerning establishment or modification of support
25 amount).”.

1 (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—
 2 Section 454A, as added by section 115(a)(2) and as
 3 amended by sections 121 and 122(c), is amended by add-
 4 ing at the end the following new subsection:

5 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
 6 The automated system required under this section shall
 7 be used, to the maximum extent feasible, to implement any
 8 expedited administrative procedures required under sec-
 9 tion 466(c).”.

10 **Subtitle E—Paternity**
 11 **Establishment**

12 **SEC. 141. STATE LAWS CONCERNING PATERNITY ESTAB-**
 13 **LISHMENT.**

14 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
 15 U.S.C. 666(a)(5)) is amended—

16 (1) in subparagraph (B)—

17 (A) by striking “(B)” and inserting
 18 “(B)(i)”;

19 (B) in clause (i), as redesignated, by in-
 20 serting before the period “, where such request
 21 is supported by a sworn statement—

22 “(I) by such party alleging paternity setting
 23 forth facts establishing a reasonable possibility of
 24 the requisite sexual contact of the parties; or

1 “(II) by such party denying paternity setting
2 forth facts establishing a reasonable possibility of
3 the nonexistence of sexual contact of the parties;”;
4 and

5 (C) by inserting after clause (i) (as reded-
6 ignated) the following new clause:

7 “(ii) Procedures which require the State agen-
8 cy, in any case in which such agency orders genetic
9 testing—

10 “(I) to pay the costs of such tests, subject
11 to recoupment (where the State so elects) from
12 the putative father if paternity is established;
13 and

14 “(II) to obtain additional testing in any
15 case where an original test result is disputed,
16 upon request and advance payment by the dis-
17 puting party.”;

18 (2) by striking subparagraphs (C), (D), (E),
19 and (F) and inserting the following new subpara-
20 graphs:

21 “(C)(i) Procedures for a simple civil process for
22 voluntarily acknowledging paternity under which the
23 State must provide that, before a mother and a pu-
24 tative father can sign an acknowledgment of pater-
25 nity, the putative father and the mother must be

1 given notice, orally, in writing, and in a language
2 that each can understand, of the alternatives to, the
3 legal consequences of, and the rights (including, if 1
4 parent is a minor, any rights afforded due to minor-
5 ity status) and responsibilities that arise from, sign-
6 ing the acknowledgment.

7 “(ii) Such procedures must include a hospital-
8 based program for the voluntary acknowledgment of
9 paternity focusing on the period immediately before
10 or after the birth of a child.

11 “(iii) Such procedures must require the State
12 agency responsible for maintaining birth records to
13 offer voluntary paternity establishment services.

14 “(iv) The Secretary shall prescribe regulations
15 governing voluntary paternity establishment services
16 offered by hospitals and birth record agencies. The
17 Secretary shall prescribe regulations specifying the
18 types of other entities that may offer voluntary pa-
19 ternity establishment services, and governing the
20 provision of such services, which shall include a re-
21 quirement that such an entity must use the same
22 notice provisions used by, the same materials used
23 by, provide the personnel providing such services
24 with the same training provided by, and evaluate the
25 provision of such services in the same manner as,

1 voluntary paternity establishment programs of hos-
2 pitals and birth record agencies.

3 “(v) Such procedures must require the State
4 and those required to establish paternity to use only
5 the affidavit developed under section 452(a)(7) for
6 the voluntary acknowledgment of paternity, and to
7 give full faith and credit to such an affidavit signed
8 in any other State.

9 “(D)(i) Procedures under which a signed ac-
10 knowledgment of paternity is considered a legal find-
11 ing of paternity, subject to the right of any signa-
12 tory to rescind the acknowledgment within 60 days.

13 “(ii)(I) Procedures under which, after the 60-
14 day period referred to in clause (i), a signed ac-
15 knowledgment of paternity may be challenged in
16 court only on the basis of fraud, duress, or material
17 mistake of fact, with the burden of proof upon the
18 challenger, and under which the legal responsibilities
19 (including child support obligations) of any signatory
20 arising from the acknowledgment may not be sus-
21 pended during the challenge, except for good cause
22 shown.

23 “(II) Procedures under which, after the 60-day
24 period referred to in clause (i), a minor who signs
25 an acknowledgment of paternity other than in the

1 presence of a parent or court-appointed guardian ad
2 litem may rescind the acknowledgment in a judicial
3 or administrative proceeding, until the earlier of—

4 “(aa) attaining the age of majority; or

5 “(bb) the date of the first judicial or ad-
6 ministrative proceeding brought (after the sign-
7 ing) to establish a child support obligation, visi-
8 tation rights, or custody rights with respect to
9 the child whose paternity is the subject of the
10 acknowledgment, and at which the minor is rep-
11 resented by a parent, guardian ad litem, or at-
12 torney.

13 “(E) Procedures under which no judicial or ad-
14 ministrative proceedings are required or permitted to
15 ratify an unchallenged acknowledgment of paternity.

16 “(F) Procedures requiring—

17 “(i) that the State admit into evidence, for
18 purposes of establishing paternity, results of
19 any genetic test that is—

20 “(I) of a type generally acknowledged,
21 by accreditation bodies designated by the
22 Secretary, as reliable evidence of paternity;
23 and

24 “(II) performed by a laboratory ap-
25 proved by such an accreditation body;

1 “(ii) that any objection to genetic testing
2 results must be made in writing not later than
3 a specified number of days before any hearing
4 at which such results may be introduced into
5 evidence (or, at State option, not later than a
6 specified number of days after receipt of such
7 results); and

8 “(iii) that, if no objection is made, the test
9 results are admissible as evidence of paternity
10 without the need for foundation testimony or
11 other proof of authenticity or accuracy.”; and

12 (3) by adding after subparagraph (H) the fol-
13 lowing new subparagraphs:

14 “(I) Procedures providing that the parties to an
15 action to establish paternity are not entitled to a
16 jury trial.

17 “(J) Procedures which require that a temporary
18 order be issued, upon motion by a party, requiring
19 the provision of child support pending an adminis-
20 trative or judicial determination of parentage, where
21 there is clear and convincing evidence of paternity
22 (on the basis of genetic tests or other evidence).

23 “(K) Procedures under which bills for preg-
24 nancy, childbirth, and genetic testing are admissible
25 as evidence without requiring third-party foundation

1 testimony, and shall constitute prima facie evidence
2 of amounts incurred for such services and testing on
3 behalf of the child.

4 “(L) At the option of the State, procedures
5 under which the tribunal establishing paternity and
6 support has discretion to waive rights to all or part
7 of amounts owed to the State (but not to the moth-
8 er) for costs related to pregnancy, childbirth, and
9 genetic testing and for public assistance paid to the
10 family where the father cooperates or acknowledges
11 paternity before or after genetic testing.

12 “(M) Procedures ensuring that the putative fa-
13 ther has a reasonable opportunity to initiate a pater-
14 nity action.”.

15 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
16 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
17 amended by inserting “, and develop an affidavit to be
18 used for the voluntary acknowledgment of paternity which
19 shall include the social security number of each parent”
20 before the semicolon.

21 (c) TECHNICAL AMENDMENT.—Section 468 (42
22 U.S.C. 668) is amended by striking “a simple civil process
23 for voluntarily acknowledging paternity and”.

1 **SEC. 142. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
2 **LISHMENT.**

3 (a) STATE PLAN REQUIREMENT.—Section 454(23)
4 (42 U.S.C. 654(23)) is amended—

5 (1) by striking “(23)” and inserting “(23)(A)”;

6 (2) by inserting “and” after the semicolon; and

7 (3) by adding at the end the following new sub-
8 paragraph:

9 “(B) publicize the availability and encourage
10 the use of procedures for voluntary establishment of
11 paternity and child support through a variety of
12 means, which—

13 “(i) include distribution of written mate-
14 rials at health care facilities (including hospitals
15 and clinics), and other locations such as
16 schools;

17 “(ii) may include prenatal programs to
18 educate expectant couples on individual and
19 joint rights and responsibilities with respect to
20 paternity (and may require all expectant recipi-
21 ents of assistance under part A to participate in
22 such prenatal programs, as an element of co-
23 operation with efforts to establish paternity and
24 child support); and

25 “(iii) include, with respect to each child
26 discharged from a hospital after birth for whom

1 paternity or child support has not been estab-
2 lished, reasonable followup efforts (including at
3 least one contact of each parent whose where-
4 abouts are known, except where there is reason
5 to believe such followup efforts would put moth-
6 er or child at risk), providing—

7 “(I) in the case of a child for whom
8 paternity has not been established, infor-
9 mation on the benefits of and procedures
10 for establishing paternity; and

11 “(II) in the case of a child for whom
12 paternity has been established but child
13 support has not been established, informa-
14 tion on the benefits of and procedures for
15 establishing a child support order, and an
16 application for child support services;”.

17 (b) ENHANCED FEDERAL MATCHING.—Section
18 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

19 (1) by inserting “(i)” before “laboratory costs”,
20 and

21 (2) by inserting before the semicolon “, and (ii)
22 costs of outreach programs designed to encourage
23 voluntary acknowledgment of paternity”.

24 (c) EFFECTIVE DATES.—

1 (1) IN GENERAL.—The amendments made by
2 subsection (a) shall become effective October 1,
3 1997.

4 (2) EXCEPTION.—The amendments made by
5 subsection (b) shall be effective with respect to cal-
6 endar quarters beginning on and after October 1,
7 1996.

8 **Subtitle F—Establishment and**
9 **Modification of Support Orders**

10 **SEC. 151. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-**
11 **SION.**

12 (a) ESTABLISHMENT.—There is hereby established a
13 commission to be known as the “National Child Support
14 Guidelines Commission” (in this section referred to as the
15 “Commission”).

16 (b) GENERAL DUTIES.—The Commission shall de-
17 velop a national child support guideline for consideration
18 by the Congress that is based on a study of various guide-
19 line models, the benefits and deficiencies of such models,
20 and any needed improvements.

21 (c) MEMBERSHIP.—

22 (1) NUMBER; APPOINTMENT.—

23 (A) IN GENERAL.—The Commission shall
24 be composed of 12 individuals appointed jointly
25 by the Secretary of Health and Human Services

1 and the Congress, not later than January 15,
2 1997, of which—

3 (i) 2 shall be appointed by the Chair-
4 man of the Committee on Finance of the
5 Senate, and 1 shall be appointed by the
6 ranking minority member of such Commit-
7 tee;

8 (ii) 2 shall be appointed by the Chair-
9 man of the Committee on Ways and Means
10 of the House of Representatives, and 1
11 shall be appointed by the ranking minority
12 member of such Committee; and

13 (iii) 6 shall be appointed by the Sec-
14 retary of Health and Human Services.

15 (B) QUALIFICATIONS OF MEMBERS.—

16 Members of the Commission shall have exper-
17 tise and experience in the evaluation and devel-
18 opment of child support guidelines. At least 1
19 member shall represent advocacy groups for
20 custodial parents, at least 1 member shall rep-
21 resent advocacy groups for noncustodial par-
22 ents, and at least 1 member shall be the direc-
23 tor of a State program under part D of title IV
24 of the Social Security Act.

1 (2) TERMS OF OFFICE.—Each member shall be
2 appointed for a term of 2 years. A vacancy in the
3 Commission shall be filled in the manner in which
4 the original appointment was made.

5 (d) COMMISSION POWERS, COMPENSATION, ACCESS
6 TO INFORMATION, AND SUPERVISION.—The first sentence
7 of subparagraph (C), the first and third sentences of sub-
8 paragraph (D), subparagraph (F) (except with respect to
9 the conduct of medical studies), clauses (ii) and (iii) of
10 subparagraph (G), and subparagraph (H) of section
11 1886(e)(6) of the Social Security Act shall apply to the
12 Commission in the same manner in which such provisions
13 apply to the Prospective Payment Assessment Commis-
14 sion.

15 (e) REPORT.—Not later than 2 years after the ap-
16 pointment of members, the Commission shall submit to
17 the President, the Committee on Ways and Means of the
18 House of Representatives, and the Committee on Finance
19 of the Senate, a recommended national child support
20 guideline and a final assessment of issues relating to such
21 a proposed national child support guideline.

22 (f) TERMINATION.—The Commission shall terminate
23 6 months after the submission of the report described in
24 subsection (e).

1 **SEC. 152. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
2 **MENT OF CHILD SUPPORT ORDERS.**

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

5 “(10)(A)(i) Procedures under which—

6 “(I) every 3 years, at the request of either
7 parent subject to a child support order, the
8 State shall review and, as appropriate, adjust
9 the order in accordance with the guidelines es-
10 tablished under section 467(a) if the amount of
11 the child support award under the order differs
12 from the amount that would be awarded in ac-
13 cordance with such guidelines, without a re-
14 quirement for any other change in cir-
15 cumstances; and

16 “(II) upon request at any time of either
17 parent subject to a child support order, the
18 State shall review and, as appropriate, adjust
19 the order in accordance with the guidelines es-
20 tablished under section 467(a) based on a sub-
21 stantial change in the circumstances of either
22 such parent.

23 “(ii) Such procedures shall require both parents
24 subject to a child support order to be notified of
25 their rights and responsibilities provided for under
26 clause (i) at the time the order is issued and in the

1 annual information exchange form provided under
2 subparagraph (B).

3 “(B) Procedures under which each child sup-
4 port order issued or modified in the State after the
5 effective date of this subparagraph shall require the
6 parents subject to the order to provide each other
7 with a complete statement of their respective finan-
8 cial condition annually on a form which shall be es-
9 tablished by the Secretary and provided by the
10 State. The Secretary shall establish regulations for
11 the enforcement of such exchange of information.”.

12 **Subtitle G—Enforcement of** 13 **Support Orders**

14 **SEC. 161. FEDERAL INCOME TAX REFUND OFFSET.**

15 (a) CHANGED ORDER OF REFUND DISTRIBUTION
16 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of
17 the Internal Revenue Code of 1986 (relating to offset of
18 past-due support against overpayments) is amended—

19 (1) by striking “has been assigned” and insert-
20 ing “has not been assigned”; and

21 (2) by striking “and shall be applied” and all
22 that follows through the period and inserting “and
23 shall thereafter be applied to satisfy any past-due
24 support that has been so assigned.”.

1 (b) ELIMINATION OF DISPARITIES IN TREATMENT
2 OF ASSIGNED AND NONASSIGNED ARREARAGES.—

3 (1) IN GENERAL.—Section 464(a) (42 U.S.C.
4 664(a)) is amended—

5 (A) in paragraph (1)—

6 (i) in the first sentence, by striking
7 “which has been assigned to such State
8 pursuant to section 402(a)(26) or section
9 471(a)(17)”; and

10 (ii) in the second sentence, by striking
11 “in accordance with section 457(b)(4) or
12 (d)(3)” and inserting “as provided in para-
13 graph (2)”; and

14 (B) in paragraph (2), to read as follows:

15 “(2) The State agency shall distribute amounts paid
16 by the Secretary of the Treasury pursuant to paragraph
17 (1)—

18 “(A) in accordance with subsection (a)(4) or
19 (d)(3) of section 457, in the case of past-due sup-
20 port assigned to a State pursuant to section
21 402(a)(26) or section 471(a)(17);

22 “(B) to or on behalf of the child to whom the
23 support was owed, in the case of past-due support
24 not so assigned.”; and

25 (C) in paragraph (3)—

1 (i) by striking “or (2)” each place it
2 appears; and

3 (ii) in subparagraph (B), by striking
4 “under paragraph (2)” and inserting “on
5 account of past-due support described in
6 paragraph (2)(B)”.

7 (2) NOTICES OF PAST-DUE SUPPORT.—Section
8 464(b) (42 U.S.C. 664(b)) is amended—

9 (A) by striking “(b)(1)” and inserting
10 “(b)”;

11 (B) by striking paragraph (2).

12 (3) DEFINITION OF PAST-DUE SUPPORT.—Sec-
13 tion 464(c) (42 U.S.C. 664(c)) is amended—

14 (A) by striking “(c)(1) Except as provided
15 in paragraph (2), as” and inserting “(c) As”;
16 and

17 (B) by striking paragraphs (2) and (3).

18 (c) TREATMENT OF LUMP-SUM TAX REFUND
19 UNDER AFDC.—

20 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
21 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended
22 by inserting before the semicolon at the end the fol-
23 lowing: “, but this paragraph shall not apply to in-
24 come received by a family that is attributable to a
25 child support obligation owed with respect to a mem-

1 ber of the family and that is paid to the family from
2 amounts withheld from a Federal income tax refund
3 otherwise payable to the person owing such obliga-
4 tion, to the extent that such income is placed in a
5 qualified asset account (as defined in section 406(j))
6 the total amounts in which, after such placement,
7 does not exceed \$10,000”.

8 (2) QUALIFIED ASSET ACCOUNT DEFINED.—
9 Section 406 (42 U.S.C. 606), as amended by section
10 102(g)(2), is amended by adding at the end the fol-
11 lowing new subsection:

12 “(j)(1) The term ‘qualified asset account’ means a
13 mechanism approved by the State (such as individual re-
14 tirement accounts, escrow accounts, or savings bonds) that
15 allows savings of a family receiving aid to families with
16 dependent children to be used for qualified distributions.

17 “(2) The term ‘qualified distribution’ means a dis-
18 tribution from a qualified asset account for expenses di-
19 rectly related to 1 or more of the following purposes:

20 “(A) The attendance of a member of the family
21 at any education or training program.

22 “(B) The improvement of the employability (in-
23 cluding self-employment) of a member of the family
24 (such as through the purchase of an automobile).

25 “(C) The purchase of a home for the family.

1 “(D) A change of the family residence.”.

2 (d) EFFECTIVE DATE.—The amendments made by
3 this section shall become effective October 1, 1999.

4 **SEC. 162. INTERNAL REVENUE SERVICE COLLECTION OF**
5 **ARREARAGES.**

6 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
7 Section 6305(a) of the Internal Revenue Code of 1986 (re-
8 lating to collection of certain liability) is amended—

9 (1) in paragraph (1), by inserting “except as
10 provided in paragraph (5)” after “collected”;

11 (2) by striking “and” at the end of paragraph
12 (3);

13 (3) by striking the period at the end of para-
14 graph (4) and inserting “, and”;

15 (4) by adding at the end the following new
16 paragraph:

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

21 (5) by striking “Secretary of Health, Edu-
22 cation, and Welfare” each place it appears and in-
23 serting “Secretary of Health and Human Services”.

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

1 **SEC. 163. 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—

5 (1) in the heading, by inserting “INCOME WITH-
6 HOLDING,” before “GARNISHMENT”;

7 (2) in subsection (a)—

8 (A) by striking “section 207” and insert-
9 ing “section 207 and section 5301 of title 38,
10 United States Code”; and

11 (B) by striking “to legal process” and all
12 that follows through the period and inserting
13 “to withholding in accordance with State law
14 pursuant to subsections (a)(1) and (b) of sec-
15 tion 466 and regulations of the Secretary there-
16 under, and to any other legal process brought,
17 by a State agency administering a program
18 under this part or by an individual obligee, to
19 enforce the legal obligation of such individual to
20 provide child support or alimony.”;

21 (3) in subsection (b), to read as follows:

22 “(b) Except as otherwise provided herein, each entity
23 specified in subsection (a) shall be subject, with respect
24 to notice to withhold income pursuant to subsection (a)(1)
25 or (b) of section 466, or to any other order or process
26 to enforce support obligations against an individual (if

1 such order or process contains or is accompanied by suffi-
2 cient data to permit prompt identification of the individual
3 and the moneys involved), to the same requirements as
4 would apply if such entity were a private person.”;

5 (4) by striking subsections (c) and (d) and in-
6 serting the following new subsections:

7 “(c)(1) The head of each agency subject to the re-
8 quirements of this section shall—

9 “(A) designate an agent or agents to receive or-
10 ders and accept service of process; and

11 “(B) publish—

12 “(i) in the appendix of such regulations;

13 “(ii) in each subsequent republication of
14 such regulations; and

15 “(iii) annually in the Federal Register,
16 the designation of such agent or agents, identified
17 by title of position, mailing address, and telephone
18 number.

19 “(2) Whenever an agent designated pursuant to para-
20 graph (1) receives notice pursuant to subsection (a)(1) or
21 (b) of section 466, or is effectively served with any order,
22 process, or interrogatories, with respect to an individual’s
23 child support or alimony payment obligations, such agent
24 shall—

1 “(A) as soon as possible (but not later than 15
2 days) thereafter, send written notice of such notice
3 or service (together with a copy thereof) to such in-
4 dividual at his duty station or last-known home ad-
5 dress;

6 “(B) not later than 30 days (or such longer pe-
7 riod as may be prescribed by applicable State law)
8 after receipt of a notice pursuant to subsection
9 (a)(1) or (b) of section 466, comply with all applica-
10 ble provisions of such section 466; and

11 “(C) not later than 30 days (or such longer pe-
12 riod as may be prescribed by applicable State law)
13 after effective service of any other such order, proc-
14 ess, or interrogatories, respond thereto.

15 “(d) In the event that a governmental entity receives
16 notice or is served with process, as provided in this section,
17 concerning amounts owed by an individual to more than
18 1 person—

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

22 “(2) allocation of moneys due or payable to an
23 individual among claimants under section 466(b)
24 shall be governed by the provisions of such section
25 466(b) and regulations thereunder; and

1 “(3) such moneys as remain after compliance
2 with subparagraphs (A) and (B) shall be available to
3 satisfy any other such processes on a first-come,
4 first-served basis, with any such process being satis-
5 fied out of such moneys as remain after the satisfac-
6 tion of all such processes which have been previously
7 served.”;

8 (5) in subsection (f)—

9 (A) by striking “(f)” and inserting
10 “(f)(1)”; and

11 (B) by adding at the end the following new
12 paragraph:

13 “(2) No Federal employee whose duties include tak-
14 ing actions necessary to comply with the requirements of
15 subsection (a) with regard to any individual shall be sub-
16 ject under any law to any disciplinary action or civil or
17 criminal liability or penalty for, or on account of, any dis-
18 closure of information made by him in connection with the
19 carrying out of such duties.”; and

20 (6) by adding at the end the following new sub-
21 section:

22 “(g) Authority to promulgate regulations for the im-
23 plementation of the provisions of this section shall, insofar
24 as the provisions of this section are applicable to moneys
25 due from (or payable by)—

1 “(1) the executive branch of the Federal Gov-
2 ernment (including in such branch, for the purposes
3 of this subsection, the territories and possessions of
4 the United States, the United States Postal Service,
5 the Postal Rate Commission, any wholly owned Fed-
6 eral corporation created by an Act of Congress, and
7 the government of the District of Columbia), be
8 vested in the President (or the President’s designee);

9 “(2) the legislative branch of the Federal Gov-
10 ernment, be vested jointly in the President pro tem-
11 pore of the Senate and the Speaker of the House of
12 Representatives (or their designees); and

13 “(3) the judicial branch of the Federal Govern-
14 ment, be vested in the Chief Justice of the United
15 States (or the Chief Justice’s designee).

16 “(h) Subject to subsection (i), moneys paid or payable
17 to an individual which are considered to be based upon
18 remuneration for employment, for purposes of this sec-
19 tion—

20 “(1) consist of—

21 “(A) compensation paid or payable for per-
22 sonal services of such individual, whether such
23 compensation is denominated as wages, salary,
24 commission, bonus, pay, allowances, or other-

1 wise (including severance pay, sick pay, and in-
2 centive pay);

3 “(B) periodic benefits (including a periodic
4 benefit as defined in section 228(h)(3)) or other
5 payments—

6 “(i) under the insurance system estab-
7 lished by title II;

8 “(ii) under any other system or fund
9 established by the United States which
10 provides for the payment of pensions, re-
11 tirement or retired pay, annuities, depend-
12 ents’ or survivors’ benefits, or similar
13 amounts payable on account of personal
14 services performed by the individual or any
15 other individual;

16 “(iii) as compensation for death under
17 any Federal program;

18 “(iv) under any Federal program es-
19 tablished to provide ‘black lung’ benefits;
20 or

21 “(v) by the Secretary of Veterans Af-
22 fairs as pension, or as compensation for a
23 service-connected disability or death (ex-
24 cept any compensation paid by such Sec-
25 retary to a former member of the Armed

1 Forces who is in receipt of retired or re-
2 tainer pay if such former member has
3 waived a portion of his retired pay in order
4 to receive such compensation); and

5 “(C) worker’s compensation benefits paid
6 under Federal or State law; but

7 “(2) do not include any payment—

8 “(A) by way of reimbursement or other-
9 wise, to defray expenses incurred by such indi-
10 vidual in carrying out duties associated with his
11 employment; or

12 “(B) as allowances for members of the uni-
13 formed services payable pursuant to chapter 7
14 of title 37, United States Code, as prescribed
15 by the Secretaries concerned (defined by section
16 101(5) of such title) as necessary for the effi-
17 cient performance of duty.

18 “(i) In determining the amount of any moneys due
19 from, or payable by, the United States to any individual,
20 there shall be excluded amounts which—

21 “(1) are owed by such individual to the United
22 States;

23 “(2) are required by law to be, and are, de-
24 ducted from the remuneration or other payment in-

1 volved, including Federal employment taxes, and
2 fines and forfeitures ordered by court-martial;

3 “(3) are properly withheld for Federal, State,
4 or local income tax purposes, if the withholding of
5 such amounts is authorized or required by law and
6 if amounts withheld are not greater than would be
7 the case if such individual claimed all the depend-
8 ents that the individual was entitled to (the with-
9 holding of additional amounts pursuant to section
10 3402(i) of the Internal Revenue Code of 1986 may
11 be permitted only when such individual presents evi-
12 dence of a tax obligation which supports the addi-
13 tional withholding);

14 “(4) are deducted as health insurance pre-
15 miums;

16 “(5) are deducted as normal retirement con-
17 tributions (not including amounts deducted for sup-
18 plementary coverage); or

19 “(6) are deducted as normal life insurance pre-
20 miums from salary or other remuneration for em-
21 ployment (not including amounts deducted for sup-
22 plementary coverage).

23 “(j) For purposes of this section—”.

24 (b) TRANSFER OF SUBSECTIONS.—Subsections (a)
25 through (e) of section 462 (42 U.S.C. 662), are trans-

1 ferred and redesignated as paragraphs (1) through (4),
2 respectively of section 459(j) (as added by subsection
3 (a)(6)), and the left margin of each of such paragraphs
4 (1) through (4) is indented 2 ems to the right of the left
5 margin of subsection (j) (as added by subsection (a)(6)).

6 (c) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV.—Sections 461 and
8 462 (42 U.S.C. 661, 662) are repealed.

9 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
10 tion 5520a of title 5, United States Code, is amend-
11 ed, in subsections (h)(2) and (i), by striking “sec-
12 tions 459, 461, and 462 of the Social Security Act
13 (42 U.S.C. 659, 661, and 662)” each place it ap-
14 pears and inserting “section 459 of the Social Secu-
15 rity Act (42 U.S.C. 659)”.

16 (d) MILITARY RETIRED AND RETAINER PAY.—Sec-
17 tion 1408(a) of title 10, United States Code, is amended—

18 (1) in paragraph (1)—

19 (A) in subparagraph (B), by striking
20 “and”;

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

23 (C) by adding at the end the following new
24 subparagraph:

1 “(D) any administrative or judicial tribu-
2 nal of a State competent to enter orders for
3 support or maintenance (including a State
4 agency administering a State program under
5 part D of title IV of the Social Security Act).”;

6 (2) in paragraph (2), by inserting “or a court
7 order for the payment of child support not included
8 in or accompanied by such a decree or settlement,”
9 before “which—”;

10 (3) in subsection (d)—

11 (A) in the heading, by inserting “(OR FOR
12 BENEFIT OF)” after “CONCERNED”; and

13 (B) in paragraph (1), in the first sentence,
14 by inserting “(or for the benefit of such spouse
15 or former spouse to a State central collections
16 unit or other public payee designated by a
17 State, in accordance with part D of title IV of
18 the Social Security Act, as directed by court
19 order, or as otherwise directed in accordance
20 with such part D)” before “in an amount suffi-
21 cient”; and

22 (4) by adding at the end the following new sub-
23 section:

24 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
25 involving a child support order against a member who has

1 never been married to the other parent of the child, the
2 provisions of this section shall not apply, and the case
3 shall be subject to the provisions of section 459 of the
4 Social Security Act.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective 6 months after the date
7 of the enactment of this Act.

8 **SEC. 164. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
9 **TIONS OF MEMBERS OF THE ARMED FORCES.**

10 (a) AVAILABILITY OF LOCATOR INFORMATION.—

11 (1) MAINTENANCE OF ADDRESS INFORMA-
12 TION.—The Secretary of Defense shall establish a
13 centralized personnel locator service that includes
14 the address of each member of the Armed Forces
15 under the jurisdiction of the Secretary. Upon re-
16 quest of the Secretary of Transportation, addresses
17 for members of the Coast Guard shall be included in
18 the centralized personnel locator service.

19 (2) TYPE OF ADDRESS.—

20 (A) RESIDENTIAL ADDRESS.—Except as
21 provided in subparagraph (B), the address for
22 a member of the Armed Forces shown in the lo-
23 cator service shall be the residential address of
24 that member.

1 (B) DUTY ADDRESS.—The address for a
2 member of the Armed Forces shown in the loca-
3 tor service shall be the duty address of that
4 member in the case of a member—

5 (i) who is permanently assigned over-
6 seas, to a vessel, or to a routinely
7 deployable unit; or

8 (ii) with respect to whom the Sec-
9 retary concerned makes a determination
10 that the member's residential address
11 should not be disclosed due to national se-
12 curity or safety concerns.

13 (3) UPDATING OF LOCATOR INFORMATION.—
14 Not later than 30 days after a member listed in the
15 locator service establishes a new residential address
16 (or a new duty address, in the case of a member cov-
17 ered by paragraph (2)(B)), the Secretary concerned
18 shall update the locator service to indicate the new
19 address of the member.

20 (4) AVAILABILITY OF INFORMATION.—The Sec-
21 retary of Defense shall make information regarding
22 the address of a member of the Armed Forces listed
23 in the locator service available, on request, to the
24 Federal Parent Locator Service.

1 (b) FACILITATING GRANTING OF LEAVE FOR AT-
2 TENDANCE AT HEARINGS.—

3 (1) REGULATIONS.—The Secretary of each
4 military department, and the Secretary of Transpor-
5 tation with respect to the Coast Guard when it is
6 not operating as a service in the Navy, shall pre-
7 scribe regulations to facilitate the granting of leave
8 to a member of the Armed Forces under the juris-
9 diction of that Secretary in a case in which—

10 (A) the leave is needed for the member to
11 attend a hearing described in paragraph (2);

12 (B) the member is not serving in or with
13 a unit deployed in a contingency operation (as
14 defined in section 101 of title 10, United States
15 Code); and

16 (C) the exigencies of military service (as
17 determined by the Secretary concerned) do not
18 otherwise require that such leave not be grant-
19 ed.

20 (2) COVERED HEARINGS.—Paragraph (1) ap-
21 plies to a hearing that is conducted by a court or
22 pursuant to an administrative process established
23 under State law, in connection with a civil action—

24 (A) to determine whether a member of the
25 Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-
2 ber of the Armed Forces to provide child sup-
3 port.

4 (3) DEFINITIONS.—For purposes of this sub-
5 section:

6 (A) The term “court” has the meaning
7 given such term in section 1408(a) of title 10,
8 United States Code.

9 (B) The term “child support” has the
10 meaning given such term in section 462 of the
11 Social Security Act (42 U.S.C. 662).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
13 PLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408
14 of title 10, United States Code, as amended by section
15 163(d)(4), is amended—

16 (1) by redesignating subsections (i) and (j) as
17 subsections (j) and (k), respectively;

18 (2) by inserting after subsection (h) the follow-
19 ing new subsection:

20 “(i) CERTIFICATION DATE.—It is not necessary that
21 the date of a certification of the authenticity or complete-
22 ness of a copy of a court order or an order of an adminis-
23 trative process established under State law for child sup-
24 port received by the Secretary concerned for the purposes

1 of this section be recent in relation to the date of receipt
2 by the Secretary.”; and

3 (3) in subsection (d)—

4 (A) in paragraph (1), by inserting after
5 the first sentence the following: “In the case of
6 a spouse or former spouse who, pursuant to
7 section 402(a)(26) of the Social Security Act
8 (42 U.S.C. 602(26)), assigns to a State the
9 rights of the spouse or former spouse to receive
10 support, the Secretary concerned may make the
11 child support payments referred to in the pre-
12 ceding sentence to that State in amounts con-
13 sistent with that assignment of rights.”; and

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

16 “(6) In the case of a court order or an order of an
17 administrative process established under State law for
18 which effective service is made on the Secretary concerned
19 on or after the date of the enactment of this paragraph
20 and which provides for payments from the disposable re-
21 tired pay of a member to satisfy the amount of child sup-
22 port set forth in the order, the authority provided in para-
23 graph (1) to make payments from the disposable retired
24 pay of a member to satisfy the amount of child support
25 set forth in a court order or an order of an administrative

1 process established under State law shall apply to payment
2 of any amount of child support arrearages set forth in that
3 order as well as to amounts of child support that currently
4 become due.”.

5 **SEC. 165. MOTOR VEHICLE LIENS.**

6 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
7 ed—

8 (1) by striking “(4)” and inserting “(4)(A)”;
9 and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) Procedures for placing liens for arrears of
13 child support on motor vehicle titles of individuals
14 owing such arrearages equal to or exceeding 2
15 months of support, under which—

16 “(i) any person owed such arrears may
17 place such a lien;

18 “(ii) the State agency administering the
19 program under this part shall systematically
20 place such liens;

21 “(iii) expedited methods are provided for—

22 “(I) ascertaining the amount of ar-
23 rears; and

24 “(II) affording the person owing the
25 arrearages or other titleholder to contest

1 the amount of arrearages or to obtain a
2 release upon fulfilling the support obliga-
3 tion;

4 “(iv) such a lien has precedence over all
5 other encumbrances on a vehicle title other than
6 a purchase money security interest; and

7 “(v) the individual or State agency owed
8 the arrears may execute on, seize, and sell the
9 property in accordance with State law.”.

10 **SEC. 166. VOIDING OF FRAUDULENT TRANSFERS.**

11 Section 466(a) (42 U.S.C. 666(a)), as amended by
12 sections 101(a), 126(a), and 131, is amended by adding
13 at the end the following new paragraph:

14 “(15) Procedures under which—

15 “(A) the State has in effect—

16 “(i) the Uniform Fraudulent Convey-
17 ance Act of 1981;

18 “(ii) the Uniform Fraudulent Trans-
19 fer Act of 1984; or

20 “(iii) another law, specifying indicia of
21 fraud which create a prima facie case that
22 a debtor transferred income or property to
23 avoid payment to a child support creditor,
24 which the Secretary finds affords com-

1 parable rights to child support creditors;
2 and

3 “(B) in any case in which the State knows
4 of a transfer by a child support debtor with re-
5 spect to which such a prima facie case is estab-
6 lished, the State must—

7 “(i) seek to void such transfer; or

8 “(ii) obtain a settlement in the best
9 interests of the child support creditor.”.

10 **SEC. 167. STATE LAW AUTHORIZING SUSPENSION OF LI-**
11 **CENSES.**

12 Section 466(a) (42 U.S.C. 666(a)), as amended by
13 sections 101(a), 126(a), 131, and 166, is amended by add-
14 ing at the end the following new paragraph:

15 “(16) Procedures under which the State has
16 (and uses in appropriate cases) authority (subject to
17 appropriate due process safeguards) to withhold or
18 suspend, or to restrict the use of driver’s licenses,
19 professional and occupational licenses, and rec-
20 reational licenses of individuals owing overdue child
21 support or failing, after receiving appropriate notice,
22 to comply with subpoenas or warrants relating to
23 paternity or child support proceedings.”.

1 **SEC. 168. REPORTING ARREARAGES TO CREDIT BUREAUS.**

2 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
3 to read as follows:

4 “(7)(A) Procedures (subject to safeguards pur-
5 suant to subparagraph (B)) requiring the State to
6 report periodically to consumer reporting agencies
7 (as defined in section 603(f) of the Fair Credit Re-
8 porting Act (15 U.S.C. 1681a(f)) the name of any
9 absent parent who is delinquent by 90 days or more
10 in the payment of support, and the amount of over-
11 due support owed by such parent.

12 “(B) Procedures ensuring that, in carrying out
13 subparagraph (A), information with respect to an
14 absent parent is reported—

15 “(i) only after such parent has been af-
16 forded all due process required under State law,
17 including notice and a reasonable opportunity
18 to contest the accuracy of such information;
19 and

20 “(ii) only to an entity that has furnished
21 evidence satisfactory to the State that the en-
22 tity is a consumer reporting agency.”.

23 **SEC. 169. EXTENDED STATUTE OF LIMITATION FOR COL-**
24 **LECTION OF ARREARAGES.**

25 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.
26 666(a)(9)) is amended—

1 (1) by redesignating subparagraphs (A), (B),
2 and (C) as clauses (i), (ii), and (iii), respectively;

3 (2) by striking “(9)” and inserting “(9)(A)”;
4 and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(B) Procedures under which the statute of
8 limitations on any arrearages of child support ex-
9 tends at least until the child owed such support is
10 30 years of age.”.

11 (b) APPLICATION OF REQUIREMENT.—The amend-
12 ment made by this section shall not be interpreted to re-
13 quire any State law to revive any payment obligation
14 which had lapsed prior to the effective date of such State
15 law.

16 **SEC. 170. CHARGES FOR ARREARAGES.**

17 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
18 U.S.C. 666(a)), as amended by sections 101(a), 126(a),
19 131, 166, and 167, is amended by adding at the end the
20 following new paragraph:

21 “(17) Procedures providing for the calculation
22 and collection of interest or penalties for arrearages
23 of child support, and for distribution of such interest
24 or penalties collected for the benefit of the child (ex-

1 cept where the right to support has been assigned to
2 the State).”.

3 (b) REGULATIONS.—The Secretary of Health and
4 Human Services shall establish by regulation a rule to re-
5 solve choice of law conflicts arising in the implementation
6 of the amendment made by subsection (a).

7 (c) CONFORMING AMENDMENT.—Section 454(21)
8 (42 U.S.C. 654(21)) is repealed.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall be effective with respect to arrearages
11 accruing on or after October 1, 1998.

12 **SEC. 171. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
13 **CHILD SUPPORT.**

14 (a) HHS CERTIFICATION PROCEDURE.—

15 (1) SECRETARIAL RESPONSIBILITY.—Section
16 452 (42 U.S.C. 652), as amended by sections
17 115(a)(3) and 117, is amended by adding at the end
18 the following new subsection:

19 “(1) If the Secretary receives a certification by a
20 State agency in accordance with the requirements of sec-
21 tion 454(28) that an individual owes arrearages of child
22 support in an amount exceeding \$5,000 or in an amount
23 exceeding 24 months worth of child support, the Secretary
24 shall transmit such certification to the Secretary of State
25 for action (with respect to denial, revocation, or limitation

1 of passports) pursuant to section 171(b) of the Child Sup-
2 port Responsibility Act of 1995.

3 “(2) The Secretary shall not be liable to an individual
4 for any action with respect to a certification by a State
5 agency under this section.”.

6 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
7 tion 454 (42 U.S.C. 654), as amended by sections
8 104(a), 114(b), and 122(a), is amended—

9 (A) by striking “and” at the end of para-
10 graph (26);

11 (B) by striking the period at the end of
12 paragraph (27) and inserting “; and”; and

13 (C) by adding after paragraph (27) the fol-
14 lowing new paragraph:

15 “(28) provide that the State agency will have in
16 effect a procedure (which may be combined with the
17 procedure for tax refund offset under section 464)
18 for certifying to the Secretary, for purposes of the
19 procedure under section 452(*l*) (concerning denial of
20 passports) determinations that individuals owe ar-
21 rearages of child support in an amount exceeding
22 \$5,000 or in an amount exceeding 24 months worth
23 of child support, under which procedure—

24 “(A) each individual concerned is afforded
25 notice of such determination and the con-

1 sequences thereof, and an opportunity to con-
2 test the determination; and

3 “(B) the certification by the State agency
4 is furnished to the Secretary in such format,
5 and accompanied by such supporting docu-
6 mentation, as the Secretary may require.”.

7 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
8 OF PASSPORTS.—

9 (1) IN GENERAL.—The Secretary of State,
10 upon certification by the Secretary of Health and
11 Human Services, in accordance with section 452(*l*)
12 of the Social Security Act, that an individual owes
13 arrearages of child support in excess of \$5,000, shall
14 refuse to issue a passport to such individual, and
15 may revoke, restrict, or limit a passport issued pre-
16 viously to such individual.

17 (2) LIMIT ON LIABILITY.—The Secretary of
18 State shall not be liable to an individual for any ac-
19 tion with respect to a certification by a State agency
20 under this subsection.

21 (c) EFFECTIVE DATE.—This section and the amend-
22 ments made by this section shall become effective October
23 1, 1996.

1 **SEC. 172. INTERNATIONAL CHILD SUPPORT ENFORCE-**
 2 **MENT.**

3 (a) SENSE OF THE CONGRESS THAT THE UNITED
 4 STATES SHOULD RATIFY THE UNITED NATIONS CON-
 5 VENTION OF 1956.—It is the sense of the Congress that
 6 the United States should ratify the United Nations Con-
 7 vention of 1956.

8 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
 9 PORT CASES AS INTERSTATE CASES.—Section 454 (42
 10 U.S.C. 654), as amended by sections 104(a), 114(b),
 11 122(a), and 171(a)(2), is amended—

12 (1) by striking “and” at the end of paragraph
 13 (27);

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

16 (3) by inserting after paragraph (28) the fol-
 17 lowing new paragraph:

18 “(29) provide that the State must treat inter-
 19 national child support cases in the same manner as
 20 the State treats interstate child support cases.”.

21 **Subtitle H—Medical Support**

22 **SEC. 181. TECHNICAL CORRECTION TO ERISA DEFINITION**
 23 **OF MEDICAL CHILD SUPPORT ORDER.**

24 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
 25 ployee Retirement Income Security Act of 1974 (29
 26 U.S.C. 1169(a)(2)(B)) is amended—

1 (1) by striking “issued by a court of competent
2 jurisdiction”;

3 (2) in clause (ii) by striking the period and in-
4 sserting a comma; and

5 (3) by adding after clause (ii), the following
6 flush left language:

7 “if such judgment, decree, or order (I) is issued
8 by a court of competent jurisdiction or (II) is
9 issued by an administrative adjudicator and has
10 the force and effect of law under applicable
11 State law.”.

12 (b) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall take effect on the date of the en-
15 actment of this Act.

16 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
17 JANUARY 1, 1996.—

18 (A) IN GENERAL.—Any amendment to a
19 plan required to be made by an amendment
20 made by this section shall not be required to be
21 made before the first plan year beginning on or
22 after January 1, 1996, if—

23 (i) during the period after the date
24 before the date of the enactment of this
25 Act and before such first plan year, the

1 plan is operated in accordance with the re-
 2 quirements of the amendments made by
 3 this section; and

4 (ii) such plan amendment applies
 5 retroactively to the period after the date
 6 before the date of the enactment of this
 7 Act and before such first plan year.

8 (B) NO FAILURE FOR COMPLIANCE WITH
 9 THIS PARAGRAPH.—A plan shall not be treated
 10 as failing to be operated in accordance with the
 11 provisions of the plan merely because it oper-
 12 ates in accordance with this paragraph.

13 **TITLE II—INCREASED ACCESS**
 14 **TO FINANCIAL INFORMATION**
 15 **OF NONCUSTODIAL PARENTS**
 16 **AND ADDITIONAL IMPROVE-**
 17 **MENTS IN ENFORCEMENT**

18 **SEC. 201. NONLIABILITY FOR DEPOSITORY 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 depository 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) The term “depository institution” means—

22 (A) a depository institution, as defined in
23 section 3(c) of the Federal Deposit Insurance
24 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)); and

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)).

10 (2) The term “financial record” has the mean-
11 ing given such term in section 1101 of the Right to
12 Financial Privacy Act of 1978 (12 U.S.C. 3401).

13 (3) The term “State child support enforcement
14 agency” means a State agency which administers a
15 State program for establishing and enforcing child
16 support obligations.

17 **SEC. 202. ACCESS TO AND USE OF CONSUMER REPORTS BY**
18 **STATE CHILD SUPPORT ENFORCEMENT**
19 **AGENCIES IN CHILD SUPPORT CASES.**

20 Section 604 of the Fair Credit Reporting Act (15
21 U.S.C. 1681b) is amended by adding at the end the follow-
22 ing new paragraph:

23 “(4) To a State child support enforcement
24 agency that is seeking to establish, modify, or en-

1 force a child support obligation against the
2 consumer, if—

3 “(A) the paternity of the consumer for the
4 child to which the obligation relates has been
5 established or acknowledged by the consumer in
6 accordance with State laws under which the ob-
7 ligation arises (if required by those laws); and

8 “(B) the State child support enforcement
9 agency—

10 “(i) before obtaining the consumer re-
11 port, provides written notice to the
12 consumer that the State agency intends to
13 obtain a consumer report on the consumer;
14 and

15 “(ii) certifies to the consumer report-
16 ing agency that—

17 “(I) the requirement in subpara-
18 graph (A) has been fulfilled (if appli-
19 cable); and

20 “(II) the notice required by
21 clause (i) has been provided.”.

22 **SEC. 203. HEALTH CARE SUPPORT.**

23 (a) INCLUSION IN CHILD SUPPORT ORDERS.—

24 (1) IN GENERAL.—Section 466(a) (42 U.S.C.
25 666(a)), as amended by sections 101(a), 126(a),

1 131, 166, 167, and 170(a) is amended by inserting
2 after paragraph (17) the following new paragraph:

3 “(18) Not later than the beginning of the ninth
4 calendar month that begins after the date the Sec-
5 retary prescribes final regulations as provided for in
6 section 467(d)(2):

7 “(A) Procedures which require any child
8 support order, issued or modified by a court or
9 administrative agency of the State on or after
10 the effective date of guidelines established by
11 the State under section 467(d), to provide for
12 coverage of the health care costs of the child in
13 accordance with such guidelines.

14 “(B) Procedures which require the expe-
15 dited consideration and disposition of any alle-
16 gation of noncompliance with an obligation to
17 cover the health care costs of a child imposed
18 under a child support order issued or modified
19 in the State.”.

20 (2) STATE GUIDELINES.—Section 467 (42
21 U.S.C. 667) is amended by adding at the end the
22 following new subsection:

23 “(d)(1) Not later than the beginning of the ninth cal-
24 endar month that begins after the date the Secretary pre-
25 scribes final regulations as provided for in paragraph (2),

1 each State, as a condition for having its State plan ap-
2 proved under this part, must establish guidelines for the
3 coverage of the health care costs of children pursuant to
4 child support orders issued or modified in the State.
5 Guidelines established under this subsection shall create
6 a streamlined process that meets the minimum standards
7 established by the Secretary in final regulations promul-
8 gated under paragraph (2).

9 “(2)(A) The Secretary shall promulgate regulations
10 which set forth minimum standards that any set of guide-
11 lines established pursuant to paragraph (1) must meet in
12 providing for the coverage of the health care costs of chil-
13 dren pursuant to child support orders issued or modified
14 in the State, including—

15 “(i) the contents of such an order with respect
16 to the coverage of such costs;

17 “(ii) the distribution of responsibility for such
18 costs;

19 “(iii) to the extent that such costs are to be
20 covered through health insurance—

21 “(I) the provision of such insurance;

22 “(II) the payment of insurance claims; and

23 “(III) the rights of the noncustodial parent
24 and the custodial parent to insurance informa-
25 tion;

1 “(iv) the circumstances under which a provider
2 of health insurance may or may not deny coverage
3 to a child who is the subject of such an order;

4 “(v) penalties to be imposed on providers of
5 health insurance who fail to comply with the guide-
6 lines; and

7 “(vi) how changes in the circumstances of the
8 noncustodial parent and the custodial parent are to
9 be taken into account with respect to the coverage
10 of such costs.

11 “(B) In developing such standards, the Secretary
12 shall ensure that, in establishing guidelines pursuant to
13 paragraph (1), the State consider the following matters
14 in the following order of importance:

15 “(i) The best interests of the child.

16 “(ii) The financial and other circumstances of
17 the parents of the child.

18 “(iii) Cost-effectiveness.

19 “(3) The preceding subsections of this section shall
20 apply in like manner to the guidelines established pursu-
21 ant to this subsection.”.

22 (3) REGULATIONS.—

23 (A) PROPOSED REGULATIONS.—Not later
24 than 9 months after the date of the enactment
25 of this Act, the Secretary of Health and Human

1 Services shall issue proposed regulations to im-
2 plement the amendments made by this sub-
3 section.

4 (B) FINAL REGULATIONS.—Not later than
5 14 months after the date of the enactment of
6 this Act, the Secretary of Health and Human
7 Services shall issue final regulations to imple-
8 ment the amendments made by this subsection.

9 (b) INCENTIVE PAYMENTS FOR DEPENDENT
10 HEALTH INSURANCE PROVIDED DUE TO SUCCESSFUL
11 ENFORCEMENT.—

12 (1) IN GENERAL.—Section 458(a)(2) (42
13 U.S.C. 658), as amended by section 112(a), is
14 amended by redesignating subparagraph (B) as sub-
15 paragraph (C) and by inserting after subparagraph
16 (A) the following new subparagraph:

17 “(B) INCENTIVE PAYMENTS FOR DEPEND-
18 ENT HEALTH INSURANCE.—

19 “(i) IN GENERAL.—In setting per-
20 formance standards pursuant to subpara-
21 graph (A)(i), the Secretary shall provide in
22 regulations promulgated pursuant to such
23 subparagraph, that the successful enforce-
24 ment by the State of a provision of a sup-
25 port order requiring an absent parent to

1 obtain health insurance for 1 or more chil-
2 dren (in this subparagraph referred to as
3 the “health insurance support”) shall be
4 considered the collection of support from
5 the absent parent, without regard to the
6 means by which such support is provided.

7 “(ii) VALUATION.—The Secretary
8 shall estimate the value of the health in-
9 surance support collected by a State and
10 shall include in the regulations promul-
11 gated pursuant to subparagraph (A) per-
12 formance standards and incentive adjust-
13 ments for the collection of such support.

14 (2) STUDY; REPORT.—

15 (A) STUDY.—The Secretary of Health and
16 Human Services shall conduct a study to deter-
17 mine the incentives that should be provided to
18 encourage States to enforce obligations of
19 noncustodial parents to pay (and obtain medical
20 insurance coverage with respect to) the reason-
21 able and necessary health and dental expenses
22 of the children to whom the noncustodial par-
23 ents owe such obligations.

24 (B) REPORT.—Not later than 12 months
25 after the date of the enactment of this Act, the

1 Secretary of Health and Human Services shall
2 submit to the Committee on Ways and Means
3 of the House of Representatives and the Com-
4 mittee on Finance of the Senate the results of
5 the study required by subparagraph (A).

6 **SEC. 204. ANNUAL REPORTS ON STATE COMPLIANCE WITH**
7 **TIME LIMITS WITHIN WHICH STATE MUST**
8 **PROVIDE CERTAIN CHILD SUPPORT ASSIST-**
9 **ANCE.**

10 Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amend-
11 ed—

- 12 (1) in subparagraph (H), by striking “and”;
13 (2) in subparagraph (I), by striking the period
14 and inserting “; and”; and
15 (3) by inserting after subparagraph (I) the fol-
16 lowing new subparagraph:

17 “(J) compliance, by State, with the stand-
18 ards established pursuant to subsections (h)
19 and (i).”.

20 **SEC. 205. WAGES WITHHELD BY EMPLOYERS TO PAY CHILD**
21 **SUPPORT OBLIGATIONS REQUIRED TO BE**
22 **PAID TO STATE WITHIN 10 DAYS; LATE PAY-**
23 **MENT PENALTY IMPOSED ON EMPLOYERS.**

24 (a) IN GENERAL.—Section 466(b)(6)(A) (42 U.S.C.
25 666(b)(6)(A)) is amended—

1 (1) in clause (i), by inserting “within 10 days
2 after the payment of such wages” before “to the ap-
3 propriate agency”; and

4 (2) by adding at the end the following new
5 clause:

6 “(iii) The State shall require any employer who
7 fails to make any payment required in accordance
8 with clause (i) within the 10-day period described
9 therein to pay the State a \$1,000 penalty. The State
10 shall expend all penalties collected in accordance
11 with this clause for the operation of the State plan
12 approved under section 454, not later than the end
13 of the calendar quarter following the calendar quar-
14 ter in which collected.”.

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2) of this subsection, the amendments made
18 by subsection (a) of this section shall take effect on
19 the date of the enactment of this Act and apply to—

20 (A) wages paid on or after such date; and

21 (B) payments under part D of title IV of
22 the Social Security Act for calendar quarters
23 beginning on or after such date.

24 (2) DELAY PERMITTED IF STATE LEGISLATION
25 REQUIRED.—In the case of a State plan approved

1 under section 454 of the Social Security Act which
2 the Secretary of Health and Human Services deter-
3 mines requires State legislation (other than legisla-
4 tion appropriating funds) in order for the plan to
5 meet the additional requirements imposed by the
6 amendments made by subsection (a) of this section,
7 the State plan shall not be regarded as failing to
8 comply with the requirements of such section 454
9 solely on the basis of the failure of the plan to meet
10 such additional requirements before the 1st day of
11 the 1st calendar quarter beginning after the close of
12 the 1st regular session of the State legislature that
13 begins after the date of the enactment of this Act.
14 For purposes of the previous sentence, in the case
15 of a State that has a 2-year legislative session, each
16 year of such session shall be deemed to be a sepa-
17 rate regular session of the State legislature.

18 **SEC. 206. NATIONAL PARENT LOCATOR NETWORK.**

19 Section 453 of the Social Security Act (42 U.S.C.
20 653), as amended by sections 125(c)(2) and 125(f), is
21 amended by adding at the end the following new sub-
22 section:

23 “(p) The Secretary shall expand the Federal Parent
24 Locator Service to establish a national network based on

1 the comprehensive statewide child support enforcement
2 systems developed by the States, to—

3 “(1) allow each State to—

4 “(A) locate any absent parent who owes
5 child support, for whom a child support obliga-
6 tion is being established, or for whom an order
7 for visitation is being enforced, by—

8 “(i) accessing the records of other
9 State agencies and sources of locate infor-
10 mation directly from 1 computer system to
11 another; and

12 “(ii) accessing Federal sources of lo-
13 cate information in the same fashion;

14 “(B) access the files of other States to de-
15 termine whether there are other child support
16 orders involving the same absent parent, and
17 obtain the details of any such order;

18 “(C) provide for both on-line and batch
19 processing of locate requests, with on-line ac-
20 cess restricted to cases in which the information
21 is needed immediately (for such reasons as
22 court appearances) and batch processing used
23 to ‘troll’ data bases to locate individuals or up-
24 date information periodically; and

1 “(D) direct locate requests to individual
2 States or Federal agencies, broadcast requests
3 to selected States, or broadcast cases to all
4 States when there is no indication of the source
5 of needed information;

6 “(2) provide for a maximum of 48-hour turn-
7 around time for information to be broadcast and re-
8 turned to a requesting State; and

9 “(3) provide ready access to courts of the infor-
10 mation on the network by location of a computer
11 terminal in each court.”.

12 **TITLE III—EFFECTIVE DATES**

13 **SEC. 301. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) provisions of this Act requiring enactment
17 or amendment of State laws under section 466 of
18 the Act, or revision of State plans under section 454
19 of the Act, shall be effective with respect to periods
20 beginning on and after October 1, 1996; and

21 (2) all other provisions of this Act shall become
22 effective upon the date of the enactment of this Act.

23 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
24 provisions of this Act shall become effective with respect
25 to a State on the later of—

1 (1) any date specified in this Act; or

2 (2) the effective date of laws enacted by the leg-
 3 islature of such State implementing such provisions,
 4 but in no event later than the first day of the first cal-
 5 endar quarter beginning after the close of the first regular
 6 session of the State legislature that begins after the date
 7 of the enactment of this Act. For purposes of the previous
 8 sentence, in the case of a State that has a 2-year legisla-
 9 tive session, each year of such session shall be deemed to
 10 be a separate regular session of the State legislature.

11 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
 12 AMENDMENT.—A State shall not be found out of compli-
 13 ance with any requirement enacted by this Act if it is un-
 14 able to comply without amending the State constitution
 15 until the earlier of—

16 (1) the date which is 1 year after the effective
 17 date of the necessary State constitutional amend-
 18 ment; or

19 (2) the date which is 5 years after the date of
 20 the enactment of this Act.

○

S 442 IS—2

S 442 IS—3

S 442 IS—4

S 442 IS—5

S 442 IS—6

S 442 IS—7

S 442 IS—8

S 442 IS—9

S 442 IS—10

S 442 IS—11