

103^D CONGRESS
2^D SESSION

H. R. 5225

To strengthen child support enforcement.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1994

Mr. MENENDEZ introduced the following bill; which was referred jointly to the Committees on Ways and Means, Education and Labor, and Banking, Finance and Urban Affairs

A BILL

To strengthen child support enforcement.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Child Support Responsibility Act of 1994”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. National child support order registry.
- Sec. 3. Increased Federal financial participation for States with unified child support enforcement programs.
- Sec. 4. Modification of W-4 reporting requirements to provide for reporting of child support obligations of employees.
- Sec. 5. Collection of child support.
- Sec. 6. Distribution of portion of child support collected.
- Sec. 7. Workers' compensation benefits subject to garnishment.

- Sec. 8. Liens on certificates of vehicle title.
- Sec. 9. Attachment of bank accounts.
- Sec. 10. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.
- Sec. 11. Use of administrative process to impose liens against and seize property of persons delinquent in child support payments.
- Sec. 12. Fraudulent transfer pursuit.
- Sec. 13. Technical correction to ERISA definition of medical child support order.
- Sec. 14. Inclusion in consumer credit reports of information on overdue child support obligations of the consumer.
- Sec. 15. Hold on occupational, professional, and business licenses.
- Sec. 16. Driver's licenses and vehicle registrations denied to persons delinquent in child support payments or failing to appear in child support cases.
- Sec. 17. Simplified process for review and adjustment of certain child support orders.

1 **SEC. 2. NATIONAL CHILD SUPPORT ORDER REGISTRY.**

2 (a) ESTABLISHMENT.—

3 (1) IN GENERAL.—The Secretary of the Treas-
 4 ury shall establish in the Internal Revenue Service
 5 a national registry of all child support orders.

6 (2) CHILD SUPPORT ORDER DEFINED.—As
 7 used in this section, the term “child support order”
 8 means an order, issued or modified by a State court
 9 or an administrative process established under State
 10 law, that requires an individual to make payments
 11 for support and maintenance of a child or of a child
 12 and the parent with whom the child is living.

13 (b) TRANSMISSION OF COPIES OF CHILD SUPPORT
 14 ORDERS TO THE NATIONAL REGISTRY.—Section 466(a)
 15 of the Social Security Act (42 U.S.C. 666(a)) is amended
 16 by inserting after paragraph (11) the following:

17 “(12) Procedures to ensure that—

1 “(A) each child support order issued or
2 modified in the State contains the social secu-
3 rity account number of each parent with rights
4 or obligations under the order;

5 “(B) within 5 days after the issuance or
6 modification of a child support order in the
7 State, a copy of the order is transmitted to the
8 national child support order registry established
9 under section 2(a) of the Child Support Re-
10 sponsibility Act of 1994;

11 “(C) within 2 years after the date of the
12 enactment of this paragraph, a copy of each
13 child support order being enforced by the State
14 pursuant to this part which has not been trans-
15 mitted pursuant to subparagraph (B) is trans-
16 mitted to the national child support order reg-
17 istry;

18 “(D) within 5 years after the date of the
19 enactment of this paragraph, a copy of each
20 child support issued or modified in the State
21 which has not been transmitted pursuant to
22 subparagraph (B) or (C) and which a party to
23 the order has requested be sent to the national
24 child support order registry be transmitted to
25 the registry; and

1 “(E) with each order transmitted pursuant
2 to subparagraph (B), (C), or (D)—

3 “(i) a notice is included as to the date
4 the order is required or scheduled to be re-
5 viewed by a court or an administrative
6 process established under State law; and

7 “(ii) a certified statement of arrears
8 (if any) owed under the order is included
9 if a party to the order is receiving services
10 under the State plan.”.

11 (c) MAINTENANCE OF ABSTRACTS OF CHILD SUP-
12 PORT ORDERS.—The national registry shall maintain an
13 abstract of each child support order, which shall contain
14 the following information:

15 (1) The names, addresses, and social security
16 account numbers of each individual with rights or
17 obligations under the order, to the extent that the
18 authority that issued the order has not prohibited
19 the release of such information.

20 (2) The name and date of birth of any child
21 with respect to whom payments are to be made
22 under the order.

23 (3) The dollar amount of child support required
24 to be paid on a monthly basis under the order.

1 (4) The date the order was issued or most re-
2 cently modified, and each date the order is required
3 or scheduled to be reviewed by a court or an admin-
4 istrative process established under State law.

5 (5) Any orders superseded by the order.

6 (6) Such other information as the Secretary of
7 the Treasury, in consultation with the Secretary of
8 Health and Human Services, shall, by regulation re-
9 quire.

10 (d) PROVISION OF CHILD SUPPORT INFORMATION TO
11 EMPLOYERS.—Upon receipt from an employer of a
12 W-4 form completed pursuant to section 4(b) of this Act
13 by an employee of the employer, the national registry shall
14 report to the employer such information as the national
15 registry may have as to—

16 (1) whether the employee has a legal obligation
17 to provide child support (as defined in section
18 462(b) of the Social Security Act) which is to be col-
19 lected, in whole or in part, through wage withholding
20 pursuant to an order issued by a State court or an
21 order of an administrative process established under
22 State law; and

23 (2) the aggregate amount of all such obliga-
24 tions.

25 (e) LAW ENFORCEMENT ASSISTANCE.—

1 (1) INFORMATION ACCESS.—For the sole pur-
2 pose of locating a parent to establish a child support
3 order or a parent who owes a child support arrear-
4 age, each child support enforcement agency shall—

5 (A) have access to the National Law En-
6 forcement Telecommunications Network and to
7 the National Criminal Information Center; and

8 (B) receive an access code number, re-
9 ferred to as an ORI number.

10 (2) GRANT REDUCTION FOR FAILURE TO RE-
11 PORT.—A State that fails to report warrants issued
12 in child support cases to the designated State law
13 enforcement agencies on the first day of each fiscal
14 year succeeding the first fiscal year beginning after
15 September 30, 1995, shall receive a 10 percent re-
16 duction of funds received under the Omnibus Crime
17 Control and Safe Streets Act of 1968.

18 **SEC. 3. INCREASED FEDERAL FINANCIAL PARTICIPATION**
19 **FOR STATES WITH UNIFIED CHILD SUPPORT**
20 **ENFORCEMENT PROGRAMS.**

21 Section 455(a)(2) of the Social Security Act (42
22 U.S.C. 655(a)(2)) is amended—

23 (1) by inserting “(A)” after “(2)”;

1 (2) by redesignating subparagraphs (A), (B),
2 and (C) as clauses (i), (ii), and (iii), respectively;
3 and

4 (3) by adding after and below the end the fol-
5 lowing:

6 “(B) The percent described in this paragraph for a
7 State for a quarter in a fiscal year shall be the percent
8 specified in subparagraph (A) for the fiscal year increased
9 by 5 percentage points if the following apply to the State
10 child support enforcement program:

11 “(i) All authority, accountability, and respon-
12 sibility for the program is centered at the State level
13 in a unified State agency.

14 “(ii) The program is administered by a single
15 agency, and policymaking for the program is central-
16 ized.

17 “(iii) There is statewide uniformity of case-
18 processing procedures and forms.

19 “(iv) There is a uniform hearing and appeal
20 process.

21 “(v) All financing decisions are made at the
22 State level.

23 “(vi) All non-Federal funding is appropriated at
24 the State level.

1 “(vii) All personnel and contracting decision
2 making is made by the State agency, and all person-
3 nel are employees of the State agency, except that
4 the Secretary may by regulation establish exceptions
5 with respect to not more than 10 percent of person-
6 nel.”.

7 **SEC. 4. MODIFICATION OF W-4 REPORTING REQUIREMENTS**
8 **TO PROVIDE FOR REPORTING OF CHILD SUP-**
9 **PORT OBLIGATIONS OF EMPLOYEES.**

10 (a) ESTABLISHMENT OF REPORTING SYSTEM.—The
11 Secretary of the Treasury, in consultation with the Sec-
12 retary of Labor, shall establish a system for the reporting
13 of information relating to child support obligations of em-
14 ployees that meets the requirements of this section.

15 (b) EMPLOYEE OBLIGATIONS.—Under the system,
16 each employee shall be required to file with the employer
17 of the employee, within 5 days after the later of the effec-
18 tive date of this section or the date the employee is hired,
19 a W-4 form that indicates—

20 (1) whether the employee has a legal obligation
21 to provide child support (as defined in section
22 462(b) of the Social Security Act) which is to be col-
23 lected, in whole or in part, through wage withholding
24 pursuant to an order issued by a State court or an

1 order of an administrative process established under
 2 State law; and

3 (2) if so—

4 (A) the aggregate amount of all such obli-
 5 gations; and

6 (B) the name and address of any person to
 7 whom the employee has such an obligation.

8 (c) EMPLOYER OBLIGATIONS.—

9 (1) IN GENERAL.—Subtitle C of the Internal
 10 Revenue Code of 1986 (relating to employment
 11 taxes) is amended by inserting after chapter 24 the
 12 following new chapter:

13 **“CHAPTER 24A—COLLECTION OF CHILD**
 14 **SUPPORT OBLIGATIONS AT SOURCE**
 15 **ON WAGES**

“Sec. 3411. Child support obligations collected at source.

16 **“SEC. 3411. CHILD SUPPORT OBLIGATIONS COLLECTED AT**
 17 **SOURCE.**

18 “(a) REQUIREMENT OF WITHHOLDING.—

19 “(1) WAGE WITHHOLDING AS INDICATED BY
 20 THE EMPLOYEE.—Each employer who receives a
 21 completed W-4 form from an employee pursuant to
 22 section 4(b) of the Child Support Responsibility Act
 23 of 1994 which indicates that the employee has a

1 legal obligation to provide child support (as defined
2 in section 462(b) of the Social Security Act) shall—

3 “(A) deduct and withhold from the wages
4 of the employee the amount indicated on the
5 W-4 form as a child support obligation;

6 “(B) send such amount to Secretary; and

7 “(C) forward the form to the national child
8 support order registry.

9 “(2) CORRECTION OF WITHHOLDING INSTRUCTIONS.—If the national child support order registry
10 notifies the employer that an employee has an obligation referred to in paragraph (1), the employer
11 shall—
12

13 shall—
14 “(A) deduct and withhold from the wages
15 of the employee the greater of—

16 “(i) the amount indicated on the
17 W-4 form as a child support obligation; or

18 “(ii) the amount that such registry indicates is to be deducted and withheld
19 from the wages of the employee to satisfy
20 such obligation; and

21 “(B) send the amount so withheld to the
22 Secretary.

23 “(b) CERTAIN OBLIGATIONS EXEMPT.—This section
24 shall not apply to a child support obligation if the order
25

1 requiring payment of such obligation specifies that such
 2 obligation is exempt from the requirements of this section.

3 “(c) LIABILITY FOR PAYMENT.—The employer shall
 4 be liable for the payment of amounts deducted and with-
 5 held under subsection (a) to the Secretary.

6 “(d) NATIONAL CHILD SUPPORT ORDER REG-
 7 ISTRY.—For purposes of this section, the term ‘national
 8 child support order registry’ means the national registry
 9 of all child support orders established under section 2 of
 10 the Child Support Responsibility Act of 1994.

11 “(e) SPECIAL RULES.—For purposes of this chapter
 12 (and so much of subtitle F as relates to this chapter), any
 13 amount required to be deducted and withheld under this
 14 section shall be treated as if it were a tax withheld under
 15 chapter 24 and rules similar to the rules of chapter 24
 16 shall apply.”

17 (2) CLERICAL AMENDMENT.—The table of
 18 chapters for subtitle C of such Code is amended by
 19 inserting after the item relating to chapter 24 the
 20 following new item:

“Chapter 24A. Child support obligations collected at source.”

21 **SEC. 5. COLLECTION OF CHILD SUPPORT.**

22 (a) IN GENERAL.—Chapter 77 of the Internal Reve-
 23 nue Code of 1986 (relating to miscellaneous provisions)
 24 is amended by adding at the end thereof the following new
 25 section:

1 **“SEC. 7524. COLLECTION OF CHILD SUPPORT.**

2 “(a) MONTHLY PAYMENTS BY INDIVIDUALS WITH
3 NO OR INSUFFICIENT WAGE WITHHOLDING FOR CHILD
4 SUPPORT.—

5 “(1) IN GENERAL.—Each individual who has a
6 child support payment shortfall for any month shall
7 pay an amount equal to such shortfall to the Sec-
8 retary not later than the close of such month or
9 such earlier date specified by the Secretary.

10 “(2) CHILD SUPPORT PAYMENT SHORTFALL.—
11 For purposes of this subsection, the term ‘child sup-
12 port payment shortfall’ means, with respect to any
13 month, an amount equal to the excess (if any) of—

14 “(A) the amount of the applicable child
15 support obligation for such month, over

16 “(B) the amount (if any) deducted and
17 withheld under section 3411 from the wages
18 paid to such individual during such month.

19 “(3) CERTAIN OBLIGATIONS EXEMPT.—This
20 subsection shall not apply to a child support obliga-
21 tion if the order requiring payment of such obliga-
22 tion specifies that such obligation is exempt from the
23 requirements of this subsection.

24 “(b) PAYMENTS OF ARREARAGES BY INDIVIDUALS
25 NO LONGER EXEMPT FROM WITHHOLDING OR MONTHLY
26 PAYMENTS.—

1 “(1) IN GENERAL.—If—

2 “(A) for any month ending with or within
3 the taxable year, a child support obligation was
4 exempt from section 3111 and subsection (a) of
5 this section,

6 “(B) such obligation ceases to be so ex-
7 empt during such year, and

8 “(C) such individual failed to pay the full
9 amount of such obligation for any month end-
10 ing with or within such year for which such ob-
11 ligation was so exempt,

12 then such individual shall pay (not later than the
13 date specified by the Secretary) an amount equal to
14 the excess of the full amount of such obligation for
15 the months referred to in subparagraph (A) over the
16 amount paid before such date under such obligation
17 for such months.

18 “(2) DETERMINATION OF AMOUNT REQUIRED
19 TO BE PAID.—Subsection (d) shall apply to an
20 amount required to be paid under this subsection
21 only after the Secretary’s determination of such
22 amount (after a hearing on the record) becomes
23 final.

24 “(c) RECONCILIATION OF CHILD SUPPORT OBLIGA-
25 TION AND PAYMENTS ON INCOME TAX RETURN.—

1 “(1) IN GENERAL.—Each applicable child sup-
2 port obligation of any individual for months ending
3 with or within any taxable year shall be paid—

4 “(A) not later than the last date (deter-
5 mined without regard to extensions) prescribed
6 for filing the individual’s return of tax imposed
7 by chapter 1 for such taxable year, and

8 “(B)(i) if such return is filed not later
9 than such date, with such return, or

10 “(ii) in any case not described in clause (i),
11 in such manner as the Secretary may by regula-
12 tions prescribe.

13 “(2) OFFSET FOR WITHHELD CHILD SUPPORT,
14 ETC.—There shall be allowed as a credit against the
15 amount required to be paid under paragraph (1) by
16 an individual the sum of—

17 “(A) the amount (if any) deducted and
18 withheld under section 3411 from the wages re-
19 ceived by such individual during the taxable
20 year,

21 “(B) the amount (if any) paid by such in-
22 dividual under section 6654 by reason of sub-
23 section (f)(3) thereof for such taxable year,

1 “(C) the amount (if any) paid by such in-
2 dividual under subsections (a) and (b) for such
3 taxable year, and

4 “(D) in the case of an obligation which
5 was exempt from the requirements of section
6 3411 and subsection (a) of this section for only
7 a portion of the taxable year, the amount paid
8 (for such portion of the taxable year) by such
9 individual directly to the person to whom the
10 obligation is owed (or, if such person has as-
11 signed to a State the right to collect the obliga-
12 tion, the State).

13 “(3) CREDIT OR REFUND FOR PAYMENTS IN
14 EXCESS OF ACTUAL OBLIGATION.—There shall be al-
15 lowed as a credit against the tax imposed by subtitle
16 A for the taxable year an amount equal to the excess
17 (if any) of—

18 “(A) the aggregate of the amounts de-
19 scribed in subparagraphs (A), (B), (C), and (D)
20 of paragraph (2) for such taxable year, over

21 “(B) the aggregate of the applicable child
22 support obligations of the taxpayer for such
23 taxable year.

1 The credit allowed by this paragraph shall be treated
2 for purposes of this title as allowed by subpart C of
3 part IV of subchapter A of chapter 1.

4 “(d) FAILURE TO PAY AMOUNT OWING.—If an indi-
5 vidual fails to pay the full amount required to be paid
6 under subsection (a), (b), or (c) on or before due date for
7 such payment, the Secretary shall assess and collect the
8 unpaid amount in the same manner, with the same pow-
9 ers, and subject to the same limitations applicable to a
10 tax imposed by subtitle C the collection of which would
11 be jeopardized by delay.

12 “(e) APPLICATION OF SECTION TO CHILD SUPPORT
13 ORDERS NOT INITIALLY SUBJECT TO SECTION.—

14 “(1) IN GENERAL.—In the case of a child sup-
15 port obligation which becomes an applicable child
16 support obligation for any month after January
17 1996, the amount required to be paid under sub-
18 section (a) for the first such month shall be in-
19 creased by the excess (if any) of—

20 “(A) the aggregate amount required to be
21 paid under such obligation for all months before
22 such month (including months in prior taxable
23 years), over

1 “(B) the aggregate amount paid under
2 such obligation for all months before such
3 month.

4 “(2) CROSS REFERENCE.—

**“For agreements to pay tax in installments, see
section 6159.**

5 “(f) APPLICABLE CHILD SUPPORT OBLIGATION.—

6 For purposes of this section, the term ‘applicable child
7 support obligation’ means a legal obligation to provide
8 child support (as defined in section 462(b) of the Social
9 Security Act), except that such term shall not include any
10 such obligation for any period during which section
11 466(a)(12) of the Social Security Act (42 U.S.C.
12 666(a)(12)) does not apply to the child support order with
13 respect thereto until the order is registered.”

14 (b) WITHHELD CHILD SUPPORT TO BE SHOWN ON
15 W-2.—Subsection (a) of section 6051 of such Code is
16 amended by striking “and” at the end of paragraph (8),
17 by striking the period at the end of paragraph (9) and
18 inserting “, and”, and by inserting after paragraph (9)
19 the following new paragraph:

20 “(10) the total amount deducted and withheld
21 as a child support obligation under section 3411.”

22 (c) APPLICATION OF ESTIMATED TAX PENALTY.—

23 (1) Subsection (f) of section 6654 of such Code
24 (relating to failure by individual to pay estimated in-

1 come tax) is amended by striking “minus” at the
2 end of paragraph (2) and inserting “plus”, by redesignating paragraph (3) as paragraph (4), and by inserting after paragraph (2) the following new paragraph:
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4
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6 “(3) the aggregate applicable child support obligation (as defined in section 7524(a)) of the taxpayer for months ending with or within the taxable year, minus”.

10 (2) Paragraph (1) of section 6654(d) of such Code is amended by adding at the end the following new subparagraph:
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13 “(D) DETERMINATION OF REQUIRED ANNUAL PAYMENT FOR TAXPAYERS REQUIRED TO
14 PAY CHILD SUPPORT.—In the case of a taxpayer who is required under section 7524 to
15 pay an applicable child support obligation (as defined in section 7524) for any month ending
16 with or within the taxable year, the required annual payment shall be the sum of—
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18
19
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21 “(i) the amount determined under
22 subparagraph (B) without regard to subsection (f)(3), plus
23

1 “(ii) the aggregate amount of such
2 obligation for all months ending with or
3 within the taxable year.”

4 (3) CREDIT FOR WITHHELD AMOUNTS, ETC.—
5 Subsection (g) of section 6654 of such Code is
6 amended by adding at the end the following new
7 paragraph:

8 “(3) CHILD SUPPORT.—For purposes of apply-
9 ing this section, the sum of—

10 “(A) amounts deducted and withheld
11 under section 3411, and

12 “(B) amounts paid under subsections (a)
13 and (b) of section 7524,

14 shall be deemed to be a payment of the amount de-
15 scribed in subsection (f)(3) on the date such
16 amounts were actually withheld or paid, as the case
17 may be.”

18 (d) CLERICAL AMENDMENT.—The table of sections
19 for chapter 77 of such Code is amended by adding at the
20 end thereof the following new item:

“Sec. 7524. Collection of child support.”

21 **SEC. 6. DISTRIBUTION OF PORTION OF CHILD SUPPORT**
22 **COLLECTED.**

23 (a) IN GENERAL.—The Secretary of the Treasury
24 shall pay to the appropriate payee the sum of the following

1 amounts which are received by the Secretary on account
2 of a child support obligation payable to such payee:

3 (1) The amounts deducted and withheld under
4 section 3411 of the Internal Revenue Code of 1986.

5 (2) The amounts paid under section 6654 of
6 such Code (relating to estimated tax payments) by
7 reason of subsection (f)(3) thereof.

8 (3) The amounts paid under section 7524 of
9 such Code (relating to collection of child support).

10 (b) APPROPRIATE PAYEE.—As used in this section,
11 the term “appropriate payee” means, with respect to a
12 child support obligation—

13 (1) the person to whom the obligation is owed;
14 or

15 (2) if such person has assigned to a State the
16 right to collect the obligation, the State.

17 (c) INTEREST PAYABLE ON LATE PAYMENTS BY
18 SECRETARY.—If, within 10 days after the Secretary of the
19 Treasury receives an amount referred to in a paragraph
20 of subsection (a), the Secretary fails to pay any cor-
21 responding amount required to be paid under subsection
22 (a), the Secretary shall pay, in addition to the amount re-
23 quired to be paid, to the appropriate payee interest at the
24 underpayment rate (determined under section 6621 of
25 such Code, and compounded daily) on such amount for

1 the period beginning on such date and ending on the date
2 paid.

3 (d) COORDINATION WITH RULES GOVERNING DIS-
4 TRIBUTION OF CHILD SUPPORT COLLECTED BY A
5 STATE.—Section 457 of the Social Security Act (42
6 U.S.C. 657) is amended by adding at the end the follow-
7 ing:

8 “(e) For purposes of this section, amounts received
9 by a State from the Secretary of the Treasury pursuant
10 to section 6(a) of the Child Support Responsibility Act of
11 1994 shall be considered amounts collected by the State
12 as child support pursuant to a plan approved under this
13 part.”.

14 **SEC. 7. WORKERS’ COMPENSATION BENEFITS SUBJECT TO**
15 **GARNISHMENT.**

16 Section 462(f) of the Social Security Act (42 U.S.C.
17 662(f)) is amended—

18 (1) by striking “or” at the end of paragraph

19 (1);

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

22 (3) by adding at the end the following:

23 “(3) workers’ compensation benefits.”.

1 **SEC. 8. LIENS ON CERTIFICATES OF VEHICLE TITLE.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by
3 section 2(b) of this Act, is amended by inserting after
4 paragraph (12) the following:

5 “(13) Procedures under which the State shall
6 systematically place liens on vehicle titles for child
7 support arrearages determined under a court order
8 or an order of an administrative process established
9 under State law, using a method for updating the
10 value of the lien on a regular basis or allowing for
11 an expedited inquiry to and response from a govern-
12 mental payee for proof of the amount of arrears,
13 with an expedited method for the titleholder or the
14 individual owing the arrearage to contest the arrear-
15 age or to request a release upon fulfilling the sup-
16 port obligation, and under which such a lien has
17 precedence over all other encumbrances on a vehicle
18 title other than a purchase money security interest,
19 and that the individual owed the arrearage may exe-
20 cute on, seize, and sell the property in accordance
21 with State law.”.

22 **SEC. 9. ATTACHMENT OF BANK ACCOUNTS.**

23 Section 466(a) of the Social Security Act (42 U.S.C.
24 666(a)), as amended by sections 2(b) and 8 of this Act,
25 is amended by inserting after paragraph (13) the follow-
26 ing:

1 “(14) Procedures under which—

2 “(A) amounts on deposit in a bank account
3 may be seized to satisfy child support arrear-
4 ages determined under a court order or an
5 order of an administrative process established
6 under State law, solely through an administra-
7 tive process, pending notice to and an expedited
8 opportunity to be heard from the account hold-
9 er or holders; and

10 “(B) if the account holder or holders fail
11 to successfully challenge the seizure (as deter-
12 mined under State law), the bank may be re-
13 quired to pay from the account to the entity
14 with the right to collect the arrearage the lesser
15 of—

16 “(i) the amount of the arrearage; or

17 “(ii) the amount on deposit in the ac-
18 count.”.

19 **SEC. 10. SEIZURE OF LOTTERY WINNINGS, SETTLEMENTS,**
20 **PAYOUTS, AWARDS, AND BEQUESTS, AND**
21 **SALE OF FORFEITED PROPERTY, TO PAY**
22 **CHILD SUPPORT ARREARAGES.**

23 Section 466(a) of the Social Security Act (42 U.S.C.
24 666(a)), as amended by sections 2(b), 8, and 9 of this

1 Act, is amended by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) Procedures, in addition to other income
4 withholding procedures, under which a lien is im-
5 posed against property with the following effect:

6 “(A) The distributor of the winnings from
7 a State lottery or State-sanctioned or tribal-
8 sanctioned gambling house or casino shall—

9 “(i) suspend payment of the winnings
10 from the person otherwise entitled to the
11 payment until an inquiry is made to and a
12 response is received from the State child
13 support enforcement agency as to whether
14 the person owes a child support arrearage;
15 and

16 “(ii) if there is such an arrearage,
17 withhold from the payment the lesser of
18 the amount of the payment or the amount
19 of the arrearage, and pay the amount with-
20 held to the agency for distribution.

21 “(B) The person required to make a pay-
22 ment under a policy of insurance or a settle-
23 ment of a claim made with respect to the policy
24 shall—

1 “(i) suspend the payment until an in-
2 quiry is made to and a response received
3 from the agency as to whether the person
4 otherwise entitled to the payment owes a
5 child support arrearage; and

6 “(ii) if there is such an arrearage,
7 withhold from the payment the lesser of
8 the amount of the payment or the amount
9 of the arrearage, and pay the amount with-
10 held to the agency for distribution.

11 “(C) The payor of any amount pursuant to
12 an award, judgment, or settlement in any ac-
13 tion brought in Federal or State court shall—

14 “(i) suspend the payment of the
15 amount until an inquiry is made to and a
16 response is received from the agency as to
17 whether the person otherwise entitled to
18 the payment owes a child support arrear-
19 age; and

20 “(ii) if there is such an arrearage,
21 withhold from the payment the lesser of
22 the amount of the payment or the amount
23 of the arrearage, and pay the amount with-
24 held to the agency for distribution.

1 “(D) If the State seizes property forfeited
2 to the State by an individual by reason of a
3 criminal conviction, the State shall—

4 “(i) hold the property until an inquiry
5 is made to and a response is received from
6 the agency as to whether the individual
7 owes a child support arrearage; and

8 “(ii) if there is such an arrearage, sell
9 the property and, after satisfying the
10 claims of all other private or public claim-
11 ants to the property and deducting from
12 the proceeds of the sale the attendant costs
13 (such as for towing, storage, and the sale),
14 pay the lesser of the remaining proceeds or
15 the amount of the arrearage directly to the
16 agency for distribution.

17 “(E) Any person required to make a pay-
18 ment in respect of a decedent shall—

19 “(i) suspend the payment until an in-
20 quiry is made to and a response received
21 from the agency as to whether the person
22 otherwise entitled to the payment owes a
23 child support arrearage; and

24 “(ii) if there is such an arrearage,
25 withhold from the payment the lesser of

1 the amount of the payment or the amount
2 of the arrearage, and pay the amount with-
3 held to the agency for distribution.”.

4 **SEC. 11. USE OF ADMINISTRATIVE PROCESS TO IMPOSE**
5 **LIENS AGAINST AND SEIZE PROPERTY OF**
6 **PERSONS DELINQUENT IN CHILD SUPPORT**
7 **PAYMENTS.**

8 Section 466(a)(4) of the Social Security Act (42
9 U.S.C. 666(a)) is amended to read as follows:

10 “(4) Procedures under which administrative
11 processes are used to impose liens against and seize
12 property for amounts of overdue support owed by
13 noncustodial parents who reside or own property in
14 the State, in full compliance with all procedural due
15 process requirements of the State, and without the
16 need for a court order.”.

17 **SEC. 12. FRAUDULENT TRANSFER PURSUIT.**

18 Section 466(a) of the Social Security Act (42 U.S.C.
19 666(a)), as amended by sections 2(b), 8, 9, and 10 of this
20 Act, is amended by inserting after paragraph (15) the fol-
21 lowing:

22 “(16) Procedures requiring that, in any case re-
23 lated to child support, any transfer of property by
24 an individual who owes a child support arrearage
25 shall be presumed to be made with the intent to

1 avoid payment of the arrearage, and may be rebut-
2 ted by evidence to the contrary.”.

3 **SEC. 13. TECHNICAL CORRECTION TO ERISA DEFINITION**
4 **OF MEDICAL CHILD SUPPORT ORDER.**

5 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
6 ployee Retirement Income Security Act of 1974 (29
7 U.S.C. 1169(a)(2)(B)) is amended—

8 (1) by striking “issued by a court of competent
9 jurisdiction”;

10 (2) by striking the period at the end of clause
11 (ii) and inserting a comma; and

12 (3) by adding, after and below clause (ii), the
13 following:

14 “if such judgment, decree, or order (I) is issued
15 by a court of competent jurisdiction or (II) is
16 issued by an administrative adjudicator and has
17 the force and effect of law under applicable
18 State law.”.

19 (b) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
21 this section shall take effect on the date of the en-
22 actment of this Act.

23 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
24 JANUARY 1, 1996.—Any amendment to a plan re-
25 quired to be made by an amendment made by this

1 section shall not be required to be made before the
2 first plan year beginning on or after January 1,
3 1996, if—

4 (A) during the period after the date before
5 the date of the enactment of this Act and be-
6 fore such first plan year, the plan is operated
7 in accordance with the requirements of the
8 amendments made by this section, and

9 (B) such plan amendment applies retro-
10 actively to the period after the date before the
11 date of the enactment of this Act and before
12 such first plan year.

13 A plan shall not be treated as failing to be operated
14 in accordance with the provisions of the plan merely
15 because it operates in accordance with this para-
16 graph.

17 **SEC. 14. INCLUSION IN CONSUMER CREDIT REPORTS OF IN-**
18 **FORMATION ON OVERDUE CHILD SUPPORT**
19 **OBLIGATIONS OF THE CONSUMER.**

20 (a) CONSUMER REPORTING AGENCIES REQUIRED TO
21 INCLUDE IN CONSUMER CREDIT REPORTS INFORMATION
22 ON OVERDUE CHILD SUPPORT OBLIGATIONS OF THE
23 CONSUMER.—Section 604 of the Consumer Credit Protec-
24 tion Act (15 U.S.C. 1681b) is amended—

1 (1) in the caption for such section, by adding
2 at the end the following: “; **reporting of over-**
3 **due child support obligations**”;

4 (2) by inserting “(a)” before “A consumer”;
5 and

6 (3) by adding at the end the following new sub-
7 section:

8 “(b) A consumer reporting agency shall include in
9 any consumer report information (if any) provided by a
10 State child support agency or verified by another govern-
11 ment entity on the failure of the consumer to pay overdue
12 support (as defined in section 466(e) of the Social Security
13 Act).”.

14 (b) PROVISION TO CONSUMER REPORTING AGENCIES
15 OF INFORMATION ON OVERDUE CHILD SUPPORT OBLIGA-
16 TIONS OF ABSENT PARENTS.—Section 466(a)(7) of the
17 Social Security Act (42 U.S.C. 666(a)(7)) is amended—

18 (1) by striking “will” and inserting “shall”;

19 (2) by striking “upon the request of such agen-
20 cy”; and

21 (3) by striking “, and (C)” and all that follows
22 through “State”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on the 1st day of the 1st cal-

1 endar quarter that begins on or after the date of the en-
2 actment of this Act.

3 **SEC. 15. HOLD ON OCCUPATIONAL, PROFESSIONAL, AND**
4 **BUSINESS LICENSES.**

5 (a) STATE HOLD BASED ON WARRANT OR SUPPORT
6 DELINQUENCY.—Section 466(a) of the Social Security
7 Act (42 U.S.C. 666(a)), as amended by sections 2(b), 8,
8 9, 10, and 12 of this Act, is amended by inserting after
9 paragraph (16) the following:

10 “(17) Procedures under which the State occu-
11 pational licensing and regulating departments and
12 agencies may not issue or renew any occupational,
13 professional, or business license of—

14 “(A) a noncustodial parent who is the sub-
15 ject of an outstanding failure to appear war-
16 rant, capias, or bench warrant related to a child
17 support proceeding that appears on the State’s
18 crime information system, until removed from
19 the system; and

20 “(B) an individual who is delinquent in the
21 payment of child support, until the obligee or a
22 State prosecutor responsible for child support
23 enforcement consents to, or a court that is re-
24 sponsible for the order’s enforcement orders,
25 the release of the hold on the license, or an ex-

1 pedited inquiry and review is completed while
2 the individual is granted a 60-day temporary li-
3 cense.”.

4 (b) FEDERAL HOLD BASED ON SUPPORT DELIN-
5 QUENCY.—A Federal agency may not issue or renew any
6 occupational, professional, or business license of an indi-
7 vidual who is delinquent in the payment of child support,
8 until the obligee, the obligee’s attorney or a State prosecu-
9 tor responsible for child support enforcement consents to,
10 or a court that is responsible for the order’s enforcement
11 orders, the release of the hold on the license, or an expe-
12 dited inquiry and review is completed while the individual
13 is granted a 60-day temporary license.

14 **SEC. 16. DRIVER’S LICENSES AND VEHICLE REGISTRA-**
15 **TIONS DENIED TO PERSONS DELINQUENT IN**
16 **CHILD SUPPORT PAYMENTS OR FAILING TO**
17 **APPEAR IN CHILD SUPPORT CASES.**

18 Section 466(a) of the Social Security Act (42 U.S.C.
19 666(a)), as amended by sections 2(b), 8, 9, 10, 12, and
20 15 of this Act, is amended by inserting after paragraph
21 (17) the following:

22 “(18) Procedures under which the State motor
23 vehicle department—

1 “(A) may not issue or renew the driver’s li-
2 cense or any vehicle registration (other than
3 temporary) of any noncustodial parent who—

4 “(i) owes a child support payment
5 that is overdue by at least 6 months; or

6 “(ii) is the subject of an outstanding
7 failure to appear warrant, capias, or bench
8 warrant related to a child support proceed-
9 ing that appears on the State’s crime in-
10 formation system;

11 “(B) upon receiving notice that an individ-
12 ual to whom a State driver’s license or vehicle
13 registration has been issued owes a child sup-
14 port payment that is overdue by at least 6
15 months, or is the subject of a warrant related
16 to a child support proceeding, shall issue a
17 show cause order to the individual requesting
18 the individual to demonstrate why the individ-
19 ual’s driver’s license or vehicle registration
20 should not be suspended until child support
21 payment is made or the warrant is removed by
22 the State responsible for issuing the warrant, as
23 the case may be; and

24 “(C) in any case in which a show cause
25 order has been issued as described in subpara-

1 graph (B), may grant a temporary license or
2 vehicle registration to the individual pending
3 the show cause hearing, or the payment of the
4 child support or removal of the warrant, as the
5 case may be, whichever occurs first.”.

6 **SEC. 17. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
7 **MENT OF CERTAIN CHILD SUPPORT ORDERS.**

8 (a) IN GENERAL.—Section 466(a)(10) of the Social
9 Security Act (42 U.S.C. 666(a)(10)) is amended by add-
10 ing at the end the following:

11 “(D)(i) Procedures under which—

12 “(I) every 3 years, at the request of either
13 parent subject to a child support order, the
14 State shall review and, as appropriate, adjust
15 the order in accordance with the guidelines es-
16 tablished under section 467(a) if the amount of
17 the child support award under the order differs
18 from the amount that would be awarded in ac-
19 cordance with such guidelines by more than the
20 total of the adjustments required to be made in
21 the amount of the award pursuant to section
22 467A during the 3 year period ending on the
23 date of the request; and

24 “(II) upon request of either parent subject
25 to a child support order, the State shall review

1 and, as appropriate, adjust the order in accord-
2 ance with the guidelines established under sec-
3 tion 467(a) based on a significant change in the
4 circumstances of either such parent.

5 “(ii) Such procedures shall require both parents
6 subject to a child support order to be notified of
7 their rights provided for under clause (i) at the time
8 the order is issued and in the annual information ex-
9 change form provided under subparagraph (E).

10 “(E) Procedures under which each child sup-
11 port order issued or modified in the State after the
12 effective date of this subparagraph shall require the
13 parents subject to the order to provide each other
14 with a complete statement of their respective finan-
15 cial condition annually on a form which shall be es-
16 tablished by the Secretary and provided by the
17 State.”.

18 (b) CONFORMING AMENDMENT.—Section 466(a) of
19 such Act (42 U.S.C. 666(a)) is amended by striking para-
20 graph (10).

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