

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2528

To improve and strengthen the child support collection system.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 6 (legislative day, SEPTEMBER 12), 1994

Mrs. FEINSTEIN (for herself, Mr. SASSER, and Mr. PELL) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To improve and strengthen the child support collection system.

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 1994”.

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—LOCATE AND CASE TRACKING

- Sec. 101. Federal child support order registry.
- Sec. 102. Expansion of Federal parent locator systems.
- Sec. 103. National reporting of employees and child support information.
- Sec. 104. State role.
- Sec. 105. Reconciliation of child support obligation and payments on income tax return.

#### TITLE II—ESTABLISHMENT

- Sec. 201. Service of process on Federal employees and members of the armed services in connection with proceedings relating to child support and parentage obligations.
- Sec. 202. Presumed address of obligor and obligee.
- Sec. 203. Fair Credit Reporting Act amendment.
- Sec. 204. National child support guideline commission.
- Sec. 205. Duration of support.
- Sec. 206. Evidence.
- Sec. 207. Telephonic appearance in interstate cases.
- Sec. 208. Uniform terms in orders.
- Sec. 209. Social security numbers on marriage licenses, divorce decrees, parentage decrees, and birth certificates.
- Sec. 210. Administrative subpoena power.
- Sec. 211. Support orders outreach and demonstrations.
- Sec. 212. Health care support.
- Sec. 213. Rules governing modification of child support orders.

#### TITLE III—PARENTAGE

- Sec. 301. Paternity establishment procedures.

#### TITLE IV—ENFORCEMENT

- Sec. 401. Direct wage withholding.
- Sec. 402. Priorities in application of withheld wages.
- Sec. 403. Additional benefits subject to garnishment.
- Sec. 404. Consumer Credit Protection Act amendments.
- Sec. 405. Prohibition against use of election of remedies doctrine to prevent collection of child support.
- Sec. 406. Hold on occupational, professional, and business licenses.
- Sec. 407. Driver's licenses and vehicle registrations denied to persons failing to appear in child support cases.
- Sec. 408. Liens on certificates of vehicle title.
- Sec. 409. Attachment of bank accounts.

- Sec. 410. Seizure of lottery winnings, settlements, payouts, awards, and bequests, and sale of forfeited property, to pay child support arrearages.
- Sec. 411. Fraudulent transfer pursuit.
- Sec. 412. Full IRS collection.
- Sec. 413. Tax refund offset program expanded to cover non-AFDC post-minor children.
- Sec. 414. Attachment of public and private retirement funds.
- Sec. 415. Reporting of child support arrearages to credit bureaus.
- Sec. 416. Elimination of statutes of limitations in child support cases.
- Sec. 417. Interest.
- Sec. 418. Bankruptcy.
- Sec. 419. Federal government cooperation in enforcement of support obligations of members and former members of the Armed Forces.
- Sec. 420. States required to enact the Uniform Interstate Family Support Act.
- Sec. 421. Denial of passports to noncustodial parents subject to State arrest warrants in cases of nonpayment of child support.
- Sec. 422. Denial of Federal benefits, loans, guarantees, and employment to certain persons with large child support arrearages.
- Sec. 423. States required to order courts to allow assignment of life insurance benefits to satisfy child support arrearages.
- Sec. 424. Interests in jointly held property subject to assignment to satisfy child support arrearages.
- Sec. 425. International child support enforcement.
- Sec. 426. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.
- Sec. 427. Cost-of-living adjustment of child support awards.
- Sec. 428. Annual exchange of financial information by parties to child support order.
- Sec. 429. Criminal penalties for failure to pay child support.

#### TITLE V—COLLECTION AND DISTRIBUTION

- Sec. 501. Priorities in distribution of collected child support.
- Sec. 502. State claims against noncustodial parent limited to assistance provided to the child.
- Sec. 503. Fees for non-AFDC clients.
- Sec. 504. Collection and disbursement points for child support.

#### TITLE VI—FEDERAL ROLE

- Sec. 601. Placement and role of the Office of Child Support Enforcement.
- Sec. 602. Training.
- Sec. 603. Staffing.
- Sec. 604. Child support definition.
- Sec. 605. Technical correction to ERISA definition of medical child support order.
- Sec. 606. Audits.
- Sec. 607. Establishment of child support assurance demonstration projects.
- Sec. 608. Children's Trust Fund.
- Sec. 609. Study of reasons for nonpayment of child support; report.
- Sec. 610. Study of effectiveness of administrative processes; report.
- Sec. 611. Compendium of State child support statutes.
- Sec. 612. Establishment of permanent child support advisory committee.

## TITLE VII—STATE ROLE

- Sec. 701. Advocation of children's economic security.  
Sec. 702. Duties of State child support agencies.  
Sec. 704. Administrative process for change of payee in IV-D cases.  
Sec. 705. Financial incentives.  
Sec. 706. Avoidance of conflicts of interest.

1       **TITLE I—LOCATE AND CASE**  
2                               **TRACKING**

3       **SEC. 101. FEDERAL CHILD SUPPORT ORDER REGISTRY.**

4           (a) ESTABLISHMENT.—Not later than October 1,  
5 1995, the Secretary shall establish a Federal registry of  
6 child support orders issued or modified by any State court  
7 or administrative process established under State law.

8           (b) COMPARISON OF INFORMATION ON W-4 FORMS  
9 WITH INFORMATION IN CHILD SUPPORT ORDERS.—With-  
10 in 10 days after the registry established under subsection  
11 (a) receives a W-4 form of an employee, the registry  
12 shall—

13               (1) compare the information on the form with  
14 the information in the registry on the child support  
15 obligations of the employee; and

16               (2) transmit to the registry established under  
17 section 466(a)(12) of the State in which the em-  
18 ployee is employed a notice as to whether the  
19 amount specified on the W-4 form as the monthly  
20 child support obligation of the employee is accurate  
21 or not.

1 (c) REGULATIONS.—The Secretary shall prescribe  
2 such regulations as may be necessary to carry out this  
3 section, especially in cases involving an employee who has  
4 2 or more employers or child support obligations.

5 (d) STATE ACCESS TO THE REGISTRY.—The Sec-  
6 retary shall, upon request of any State, provide the State  
7 with access to the information contained in the registry  
8 established under subsection (a).

9 (e) DEFINITIONS.—As used in this section:

10 (1) CHILD SUPPORT ORDER.—The term “child  
11 support order” means an order requiring payments  
12 for support and maintenance of a child or of a child  
13 and the parent with whom the child is living (includ-  
14 ing an order requiring health insurance to be pro-  
15 vided to such a child or parent).

16 (2) SECRETARY.—The term “Secretary” means  
17 the Secretary of Health and Human Services.

18 (3) STATE.—The term “State” includes the  
19 several States, the District of Columbia, the Com-  
20 monwealth of Puerto Rico, the Commonwealth of the  
21 Northern Mariana Islands, the United States Virgin  
22 Islands, Guam, American Samoa, and the Trust  
23 Territory of the Pacific Islands.

1 **SEC. 102. EXPANSION OF FEDERAL PARENT LOCATOR SYS-**  
2 **TEMS.**

3 (a) EXPANSION OF FUNCTIONS.—Section 453(a) (42  
4 U.S.C. 653(a)) is amended by striking “enforcing support  
5 obligations against such parent” and inserting “establish-  
6 ing parentage, establishing, modifying, and enforcing child  
7 support obligations”.

8 (b) ACCESS TO ADDITIONAL DATA BASES.—Section  
9 453 (42 U.S.C. 653) is amended—

10 (1) in subsection (b), by striking “the most re-  
11 cent address and place of employment” and insert-  
12 ing “the most recent residential address, employer  
13 name and address, and amounts and nature of in-  
14 come and assets”;

15 (2) in subsection (c)(3), by striking “resident”  
16 and inserting “custodial”; and

17 (3) in subsection (e), by adding at the end the  
18 following:

19 “(4) The Secretary of the Treasury shall enter into  
20 an agreement with the Secretary to provide prompt access  
21 by the Secretary (in accordance with this subsection and  
22 section 6103(l)(6) of the Internal Revenue Code of 1986)  
23 to all Federal income tax returns filed by individuals with  
24 the Internal Revenue Service.”.

1 (c) EXPANSION OF ACCESS TO THE NATIONAL PAR-  
2 ENT LOCATOR NETWORK.—Section 453 (42 U.S.C. 653)  
3 is amended by adding at the end the following:

4 “(g) The Secretary shall expand the Parent Locator  
5 Service to establish a national network based on the com-  
6 prehensive statewide child support enforcement systems  
7 developed by the States, to—

8 “(1) allow each State to—

9 “(A) locate any absent parent who owes  
10 child support or for whom a child support obli-  
11 gation is being established, by—

12 “(i) to the extent practicable,  
13 accessing the records of other State agen-  
14 cies and sources of locate information di-  
15 rectly from one computer system to an-  
16 other; and

17 “(ii) accessing Federal sources of lo-  
18 cate information in the same fashion;

19 “(B) access the files of other States to de-  
20 termine whether there are other child support  
21 orders and obtain the details of those orders;

22 “(C) provide for both on-line and batch  
23 processing of locate requests, with on-line ac-  
24 cess restricted to cases in which the information  
25 is needed immediately (for such reasons as

1 court appearances) and batch processing used  
2 to ‘troll’ data bases to locate individuals or up-  
3 date information periodically; and

4 “(D) direct locate requests to individual  
5 States or Federal agencies, broadcast requests  
6 to selected States, or broadcast cases to all  
7 States when there is no indication of the source  
8 of needed information;

9 “(2) provide for a maximum of 48-hour turn-  
10 around time for information to be broadcast and re-  
11 turned to a requesting State;

12 “(3) provide ready access to courts and admin-  
13 istrative agencies of the information on the network  
14 by location of a computer terminal in each court;  
15 and

16 “(4) access the registries of child support or-  
17 ders maintained by States pursuant to section  
18 466(a)(12).”.

19 **SEC. 103. NATIONAL REPORTING OF EMPLOYEES AND**  
20 **CHILD SUPPORT INFORMATION.**

21 (a) IN GENERAL.—Not later than January 1, 1995,  
22 the Secretary of the Treasury, in consultation with the  
23 Secretary of Labor, shall establish a system of reporting  
24 of employees by requiring employers to provide a copy of  
25 every employee’s W-4 form to the Federal child support

1 order registry established pursuant to section 101(a) of  
2 the Child Support Responsibility Act of 1994 and to the  
3 child support order registry established pursuant to sec-  
4 tion 466(a)(12) of the Social Security Act by the State  
5 in which the employment is located—

6 (1) in the case of employees hired on or after  
7 the effective date of this section, on the date the em-  
8 ployee is hired; or

9 (2) in the case of employees hired before such  
10 effective date, within 10 days after such effective  
11 date.

12 (b) INCLUSION OF CHILD SUPPORT INFORMATION  
13 ON W-4 FORMS.—The Secretary of the Treasury shall  
14 modify the W-4 form to enable the employee to indicate  
15 on the form—

16 (A) whether the employee owes child sup-  
17 port, and if so—

18 (i) to whom the support is payable  
19 and the amount of the support payable;  
20 and

21 (ii) whether the support is to be paid  
22 through wage withholding; and

23 (B) whether health care insurance is avail-  
24 able to the new employee, and, if so, whether

1           the employee has obtained such insurance for  
2           the dependent children of the employee.

3 **SEC. 104. STATE ROLE.**

4           (a) STATE CHILD SUPPORT ORDER REGISTRIES.—  
5 Section 466(a) (42 U.S.C. 666(a)) is amended by insert-  
6 ing after paragraph (11) the following:

7           “(12) Procedures under which the—

8                   “(A) State child support enforcement  
9                   agency shall—

10                           “(i) establish and maintain a child  
11                           support order registry which shall in-  
12                           clude—

13                                   “(I) a copy of each child support  
14                                   order issued or modified in the State  
15                                   on or after the effective date of this  
16                                   paragraph;

17                                   “(II) a copy of each child support  
18                                   order issued or modified in the State  
19                                   before the effective date of this para-  
20                                   graph that is being enforced under the  
21                                   State plan; and

22                                   “(III) a copy of each child sup-  
23                                   port order issued or modified in the  
24                                   State before the enactment of this  
25                                   paragraph that a party to the order

1 has requested be included in the Fed-  
2 eral child support order registry es-  
3 tablished pursuant to section 101(a)  
4 of the Child Support Responsibility  
5 Act of 1994;

6 “(ii)(I) immediately upon receipt of a  
7 child support order referred to in subclause  
8 (I) or (II) of clause (i), transmit an ab-  
9 stract of the order to the Federal registry;  
10 and

11 “(II) beginning 2 years after such  
12 date of enactment, transmit to the Federal  
13 registry an abstract of each child support  
14 order referred to in clause (i)(III); and

15 “(iii) distribute in accordance with  
16 section 457(b) all amounts received from  
17 employers that have been deducted and  
18 withheld from the wages of employees for  
19 the payment of child support obligations,  
20 and all amounts received from the Internal  
21 Revenue Service pursuant to section  
22 7524(f) of the Internal Revenue Code of  
23 1986, within 3 days after receipt;

24 “(B) allow any individual owed support  
25 pursuant to a child support order issued or

1 modified in the State who alleges that an em-  
2 ployer has failed to comply with subsection  
3 (b)(11)(B)(ii) with respect to the order, or that  
4 a State official has failed to comply with sub-  
5 paragraph (A)(iii) of this paragraph with re-  
6 spect to amounts withheld from wages pursuant  
7 to the order and paid to the State, to bring an  
8 action against the employer or the official (in  
9 the official's personal capacity), as the case may  
10 be, in any State court and recover damages, in-  
11 cluding interest; and

12 “(C) the State agency referred to in sec-  
13 tion 402(a)(3) shall notify the State child sup-  
14 port enforcement agency of the commencement  
15 or termination of aid under the State plan ap-  
16 proved under part A to any individual or fam-  
17 ily, within 10 days after such commencement or  
18 termination.”.

19 (b) DIRECT WAGE WITHHOLDING.—Section 466(b)  
20 (42 U.S.C. 666(b)) is amended by adding at the end the  
21 following:

22 “(11)(A)(i) Upon the issuance or modification  
23 by a State court or administrative agency of an  
24 order imposing a child support obligation on an indi-  
25 vidual, the State shall transmit to any employer of

1 the individual a wage withholding order developed  
2 under section 452(a)(12) directing the employer to  
3 withhold amounts from the wages of the individual  
4 pursuant to the order, or such greater amount as  
5 the State child support order registry established  
6 pursuant to subsection (a)(12)(A) of this section  
7 may determine is the total amount of the child sup-  
8 port obligations of the individual.

9 “(ii) Clause (i) shall not apply to an order upon  
10 agreement of the parties to the order and the court  
11 or administrative agency that issued or modified the  
12 order.

13 “(iii) An agreement referred to in clause (ii)  
14 may be unilaterally rescinded only by the individual  
15 to whom child support is payable under the order.

16 “(B) Any individual or entity engaged in com-  
17 merce, as a condition of doing business in the State,  
18 shall, on receipt of a wage withholding order devel-  
19 oped under section 452(a)(12) that is regular on its  
20 face and has been issued by a court of any State—

21 “(i) comply with the order by forwarding  
22 to the State registry established pursuant to  
23 subsection (a)(12)(A) of this section, within 5  
24 days after the end of each payroll period ending  
25 after receipt of the order, the greater of—

1           “(I) the amount required to be with-  
2           held pursuant to the order; or

3           “(II) the amount that the State reg-  
4           istry has notified the employer is the  
5           amount required to be withheld from the  
6           wages of the employee for payment of child  
7           support obligations of the employee; and

8           “(ii) keep records of the amounts so with-  
9           held.

10          “(C) Such an order may be served on the in-  
11          come source directly or by first-class mail.

12          “(D) An individual or entity who complies with  
13          subparagraph (B)(i) with respect to such an order  
14          may not be held liable for wrongful withholding of  
15          income from the employee subject to the order.

16          “(E) The State shall impose a civil fine of  
17          \$1,000 on any individual or entity who receives such  
18          an order for each failure to comply with subpara-  
19          graph (B)(i) with respect to the order.

20          “(F) The State shall have in effect procedures  
21          for carrying out this paragraph in cases involving an  
22          employee who has 2 or more employers or child sup-  
23          port obligations.

24          “(12) If the State transmits to an individual or  
25          entity engaged in commerce only outside the State

1 a wage withholding order issued by the State with  
2 respect to an employee of the individual or entity,  
3 and the individual or entity contests or refuses to  
4 comply with the order, the State shall send an infor-  
5 mational copy of the order to the registry established  
6 under subsection (a)(12)(A) of any other State in  
7 which the individual or entity is engaged in com-  
8 merce.

9 “(13) If an employee requests a hearing to con-  
10 test wage withholding based on claim of a mistake  
11 of fact, the hearing may be held in the State from  
12 which the income is paid or in which the employee  
13 is employed, and, within 45 days after the income  
14 source receives the withholding order, the entity con-  
15 ducting the hearing must adjudicate the claim. The  
16 State in which the hearing is held shall provide ap-  
17 propriate services in cases enforced under the State  
18 plan to ensure that the interests of the individual to  
19 whom the withheld income is to be paid are ade-  
20 quately represented.”.

21 (c) PRIORITIES IN APPLICATION OF WITHHELD  
22 WAGES.—Section 466(b) (42 U.S.C. 666(b)), as amended  
23 by subsection (b) of this section, is amended by inserting  
24 after paragraph (13) the following:

1           “(14) Procedures under which the amounts  
2 withheld pursuant to a child support or wage with-  
3 holding order are to be applied in the following  
4 order:

5           “(A) To payments of support due during  
6 the month of withholding.

7           “(B) To payments of premiums for health  
8 care insurance coverage for dependent children.

9           “(C) To payments of support due before  
10 the month of withholding, and of unreimbursed  
11 health-care expenses.”.

12       (d) ACCESS TO VARIOUS DATA BASES.—Section  
13 466(a) (42 U.S.C. 666(a)), as amended by subsection (a)  
14 of this section, is amended by inserting after paragraph  
15 (12) the following:

16           “(13) Procedures under which the State child  
17 support enforcement agency shall have automated  
18 on-line or batch access (or, if necessary,  
19 nonautomated access) to information regarding resi-  
20 dential addresses, employers and employer address-  
21 es, income and assets, and medical insurance bene-  
22 fits with respect to absent parents that is available  
23 through any data base maintained by—

24           “(A) any agency of the State or any politi-  
25 cal subdivision thereof, that contains informa-

1           tion on residential addresses, or on employers  
2           and employer addresses, as the State deems ap-  
3           propriate;

4           “(B) any publicly regulated utility com-  
5           pany located in the State; and

6           “(C) any credit reporting agency located in  
7           the State.”.

8           (e) EXPANDED INTERACTION WITH THE NATIONAL  
9           PARENT LOCATOR NETWORK.—Section 454(16) (42  
10          U.S.C. 654(16)) is amended—

11           (1) by striking “and (E)” and inserting “(E)”;  
12          and

13           (2) by striking “enforcement;” and inserting  
14          “enforcement, and (F) to provide access to the na-  
15          tional network developed pursuant to section  
16          453(g);”.

17       **SEC. 105. RECONCILIATION OF CHILD SUPPORT OBLIGA-**  
18                               **TION AND PAYMENTS ON INCOME TAX RE-**  
19                               **TURN.**

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

1 **“SEC. 7524. RECONCILIATION OF CHILD SUPPORT OBLIGA-**  
2 **TION AND PAYMENTS ON INCOME TAX RE-**  
3 **TURN.**

4 “(a) IN GENERAL.—Each applicable child support  
5 obligation of any individual for months ending with or  
6 within any taxable year shall be paid—

7 “(1) not later than the last date (determined  
8 without regard to extensions) prescribed for filing  
9 the individual’s return of tax imposed by chapter 1  
10 for such taxable year, and

11 “(2)(A) if such return is filed not later than  
12 such date, with such return, or

13 “(B) in any case not described in subparagraph  
14 (A), in such manner as the Secretary may by regula-  
15 tions prescribe.

16 “(b) OFFSET FOR WITHHELD CHILD SUPPORT,  
17 ETC.—There shall be allowed as a credit against the  
18 amount required to be paid under subsection (a) by an  
19 individual the sum of—

20 “(1) the amount (if any) deducted and withheld  
21 pursuant to State law from the wages received by  
22 such individual during the taxable year,

23 “(2) the amount (if any) paid by such individ-  
24 ual under section 6654 by reason of subsection  
25 (f)(3) thereof for such taxable year, and

1           “(3) the amount paid by such individual di-  
2           rectly to the person to whom the obligation is owed  
3           (or, if such person has assigned to a State the right  
4           to collect the obligation, the State).

5           “(c) CREDIT OR REFUND FOR PAYMENTS IN EXCESS  
6           OF ACTUAL OBLIGATION.—There shall be allowed as a  
7           credit against the tax imposed by subtitle A for the taxable  
8           year an amount equal to the excess (if any) of—

9           “(1) the aggregate of the amounts described in  
10           paragraphs (1), (2), and (3) of subsection (a) for  
11           such taxable year, over

12           “(2) the aggregate of the child support obliga-  
13           tions of the taxpayer for such taxable year.

14           The credit allowed by this subsection shall be treated for  
15           purposes of this title as allowed by subpart C of part IV  
16           of subchapter A of chapter 1.

17           “(d) FAILURE TO PAY AMOUNT OWING.—If an indi-  
18           vidual fails to pay the full amount required to be paid  
19           under subsection (a) on or before due date for such pay-  
20           ment, the Secretary shall assess and collect the unpaid  
21           amount in the same manner, with the same powers, and  
22           subject to the same limitations applicable to a tax imposed  
23           by subtitle C the collection of which would be jeopardized  
24           by delay.

1       “(e) APPLICABLE CHILD SUPPORT OBLIGATION.—  
2 For purposes of this section, the term ‘applicable child  
3 support obligation’ means a legal obligation to provide  
4 child support (as defined in section 462(b) of the Social  
5 Security Act).

6       “(f) AMOUNTS COLLECTED BY SECRETARY PAID TO  
7 STATE REGISTRIES.—Amounts collected under this sec-  
8 tion and section 6654 by reason of an applicable child sup-  
9 port obligation shall be paid by the Secretary to the appro-  
10 priate State registry established pursuant to section  
11 466(a)(12)(A)(i) of the Social Security Act.”.

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

18               “(10) the total amount of child support obliga-  
19 tions withheld pursuant to State law.”.

20       (c) APPLICATION OF ESTIMATED TAX PENALTY.—

21               (1) Subsection (f) of section 6654 of such Code  
22 (relating to failure by individual to pay estimated in-  
23 come tax) is amended by striking “minus” at the  
24 end of paragraph (2) and inserting “plus”, by redesi-  
25 gnating paragraph (3) as paragraph (4), and by in-

1       serting after paragraph (2) the following new para-  
2       graph:

3               “(3) the aggregate applicable child support obli-  
4       gation (as defined in section 7524(a)) of the tax-  
5       payer for months ending with or within the taxable  
6       year, minus”.

7               (2) Paragraph (1) of section 6654(d) of such  
8       Code is amended by adding at the end the following  
9       new subparagraph:

10               “(D) DETERMINATION OF REQUIRED AN-  
11       NUAL PAYMENT FOR TAXPAYERS REQUIRED TO  
12       PAY CHILD SUPPORT.—In the case of a tax-  
13       payer who is required under section 7524 to  
14       pay an applicable child support obligation (as  
15       defined in section 7524) for any month ending  
16       with or within the taxable year, the required  
17       annual payment shall be the sum of—

18               “(i) the amount determined under  
19       subparagraph (B) without regard to sub-  
20       section (f)(3), plus

21               “(ii) the aggregate amount of such  
22       obligation for all months ending with or  
23       within the taxable year.”.

24               (3) CREDIT FOR WITHHELD AMOUNTS, ETC.—  
25       Subsection (g) of section 6654 of such Code is

1 amended by adding at the end the following new  
2 paragraph:

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

5 “(A) amounts deducted and withheld  
6 under State law for applicable child support ob-  
7 ligations, and

8 “(B) amounts paid by the individual di-  
9 rectly to the person to whom the obligation is  
10 owed (or, if such person has assigned to a State  
11 the right to collect the obligation, the State),  
12 shall be deemed to be a payment of the amount de-  
13 scribed in subsection (f)(3) on the date such  
14 amounts were actually withheld or paid, as the case  
15 may be.”.

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

“Sec. 7524. Reconciliation of child support obligation and pay-  
ments on income tax return.”.

19 (e) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 1995.

1           **TITLE II—ESTABLISHMENT**

2   **SEC. 201. SERVICE OF PROCESS ON FEDERAL EMPLOYEES**  
3                   **AND MEMBERS OF THE ARMED SERVICES IN**  
4                   **CONNECTION WITH PROCEEDINGS RELATING**  
5                   **TO CHILD SUPPORT AND PARENTAGE OBLI-**  
6                   **GATIONS.**

7           Part D of title IV (42 U.S.C. 651–670) is amended  
8 by inserting after section 460 the following:

9   **“SEC. 460A. SERVICE OF PROCESS ON FEDERAL EMPLOY-**  
10                   **EES AND MEMBERS OF THE ARMED SERV-**  
11                   **ICES IN CONNECTION WITH PROCEEDINGS**  
12                   **RELATING TO CHILD SUPPORT AND PARENT-**  
13                   **AGE OBLIGATIONS.**

14           “(a) IN GENERAL.—The head of each Government  
15 agency shall, in accordance with applicable regulations  
16 under subsection (b), designate an agent for receipt of  
17 service of process, for any Federal employee or member  
18 of the Armed Forces serving in or under such agency, in  
19 connection with an action, brought in a court of competent  
20 jurisdiction within any State, territory, or possession of  
21 the United States, for obtaining a child support order or  
22 for establishing parentage.

23           “(b) REGULATIONS.—Regulations governing the im-  
24 plementation of this section with respect to the executive,  
25 legislative, or judicial branch of the Government shall be

1 promulgated by the authority or authorities responsible  
2 for promulgating regulations under section 461 with re-  
3 spect to the branch of Government involved.

4 “(c) INTERPRETIVE RULE.—This section shall not be  
5 construed to prevent any otherwise eligible individual from  
6 requesting or being granted a stay or continuance in any  
7 judicial proceeding, including under the Soldiers’ and Sail-  
8 ors’ Civil Relief Act of 1940.

9 “(d) GOVERNMENT AGENCY DEFINED.—For pur-  
10 poses of this section, the term ‘Government agency’ means  
11 each agency of the Federal Government, including—

12 “(1) an Executive agency (as defined by section  
13 105 of title 5, United States Code);

14 “(2) the Department of Defense, to the extent  
15 that any Federal employee serving in or under that  
16 agency or any member of the armed services is in-  
17 volved;

18 “(3) the United States Postal Service and the  
19 Postal Rate Commission;

20 “(4) the government of the District of Colum-  
21 bia;

22 “(5) an agency within the legislative or judicial  
23 branch of the Government; and

24 “(6) an advisory committee to which the Fed-  
25 eral Advisory Committee Act applies.”.

1 **SEC. 202. PRESUMED ADDRESS OF OBLIGOR AND OBLIGEE.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by  
3 section 104 of this Act, is amended by inserting after  
4 paragraph (13) the following:

5 “(14) Procedures under which the State shall—

6 “(A) require the court or administrative  
7 agency with authority to issue the final order in  
8 a child support or parentage case to require  
9 each party subject to the order to file with the  
10 court or administrative agency, on or before the  
11 date the order is issued—

12 “(i) the party’s residential address or  
13 addresses;

14 “(ii) the party’s mailing address or  
15 addresses;

16 “(iii) the party’s home telephone num-  
17 ber or numbers;

18 “(iv) the party’s driver’s license num-  
19 ber;

20 “(v) the party’s social security ac-  
21 count number;

22 “(vi) the name of each employer of  
23 the party;

24 “(vii) the addresses of each place of  
25 employment of the party; and

1           “(viii) the party’s work telephone  
2           number or numbers;

3           “(B) require the court or administrative  
4           agency in any action related to child support to  
5           presume, for the purpose of providing sufficient  
6           notice (other than the initial notice in an action  
7           to establish parentage or a child support order),  
8           that the noncustodial parent resides at the last  
9           residential address given by the noncustodial  
10          parent to the court or agency; and

11          “(C) ensure that information concerning  
12          the location of a custodial parent or a child of  
13          the custodial parent is not released to a  
14          noncustodial parent if a court order has been  
15          issued against the noncustodial parent for the  
16          physical protection of the custodial parent or  
17          the child.”.

18 **SEC. 203. FAIR CREDIT REPORTING ACT AMENDMENT.**

19          Section 604 of the Consumer Credit Protection Act  
20          (15 U.S.C. 1681b) is amended by adding at the end the  
21          following:

22          “(4) To a State agency administering a State plan  
23          under section 454 of the Social Security Act, for use to  
24          establish or modify a child support award.”.

1 **SEC. 204. NATIONAL CHILD SUPPORT GUIDELINE COMMIS-**  
2 **SION.**

3 (a) ESTABLISHMENT.—There is hereby established a  
4 commission to be known as the National Child Support  
5 Guidelines Commission (in this section referred to as the  
6 “Commission”).

7 (b) GENERAL DUTIES.—The Commission shall con-  
8 vene a conference to study the desirability of a national  
9 child support guideline, and if such guideline is advisable,  
10 the Commission shall develop for congressional consider-  
11 ation a national child support guideline that is based on  
12 the conference’s study of various guideline models, the de-  
13 ficiencies of such models and any needed improvements.

14 (c) MEMBERSHIP.—

15 (1) NUMBER; APPOINTMENT.—

16 (A) IN GENERAL.—The Commission shall  
17 be composed of 9 individuals appointed jointly  
18 by the Secretary of Health and Human Services  
19 and the Congress, not later than January 15,  
20 1995.

21 (B) QUALIFICATIONS OF MEMBERS.—

22 Members of the Commission shall be appointed  
23 from among those who are able to provide ex-  
24 pertise and experience in the evaluation and de-  
25 velopment of child support guidelines. At least

1           2 of the members shall represent parent child  
2           support advocacy groups.

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

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

17          (e) REPORT.—Not later than 1 year after the ap-  
18          pointment of members, the Commission shall report to the  
19          President and the Congress on the results of the study  
20          described in subsection (b) and the final assessment by  
21          the Commission of issues relating to a national child sup-  
22          port guideline.

23          (f) TERMINATION.—The Commission shall terminate  
24          upon the submission of the report described in subsection  
25          (e).

1 **SEC. 205. DURATION OF SUPPORT.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by  
3 sections 104 and 202 of this Act, is amended by inserting  
4 after paragraph (14) the following:

5 “(15) Procedures under which the State—

6 “(A) imposes on 1 or both parents of a  
7 child an obligation to continue to provide sup-  
8 port for the child until not earlier than the later  
9 of the date the child attains 18 years of age or  
10 the date the child is graduated from or is no  
11 longer enrolled in secondary school or its equiv-  
12 alent, unless the child is married or is otherwise  
13 emancipated by a court of competent jurisdic-  
14 tion or by operation of State law;

15 “(B) provides that courts with jurisdiction  
16 over child support cases may, in accordance  
17 with criteria established by the State, order—

18 “(i) child support, payable to an adult  
19 child, at least up to the age of 22 years for  
20 a child enrolled in an accredited post-  
21 secondary or vocational school or college  
22 who is a student in good standing; and

23 “(ii) either or both parents to pay for  
24 postsecondary school support based on  
25 each parent’s financial ability to pay; and

1           “(C) provides for child support to continue  
2           beyond the child’s minority if the child is dis-  
3           abled, unable to be self-supportive, and the dis-  
4           ability arose during the child’s minority.”.

5 **SEC. 206. EVIDENCE.**

6           Section 466(a) (42 U.S.C. 666(a)), as amended by  
7           sections 104 and 205 of this Act, is amended by inserting  
8           after paragraph (15) the following:

9           “(16) Procedures under which—

10           “(A) a certified copy of an out-of-State  
11           order, decree, or judgment related to child sup-  
12           port or parentage shall be admitted once of-  
13           fered in the courts of the State if the order, de-  
14           cree, or judgment is regular on its face; and

15           “(B) electronically transmitted information  
16           and documents faxed to a court or administra-  
17           tive agency that contain information related to  
18           the amount of a child support obligation and  
19           the terms of the order imposing the obligation  
20           may be offered as evidence of the amount and  
21           the terms, and electronically transmitted  
22           records of payment of a child support agency  
23           that are regular on their face shall be admissi-  
24           ble as evidence in a child support or parentage

1 proceeding to prove the truth of the matter as-  
2 serted in the records.”.

3 **SEC. 207. TELEPHONIC APPEARANCE IN INTERSTATE**  
4 **CASES.**

5 Section 466(a) (42 U.S.C. 666(a)), as amended by  
6 sections 104, 205, and 206 of this Act, is amended by  
7 inserting after paragraph (16) the following:

8 “(17) Procedures under which the parties to an  
9 interstate parentage or child support administrative  
10 or judicial proceeding may appear and participate by  
11 telephonic means in lieu of appearing personally.”.

12 **SEC. 208. UNIFORM TERMS IN ORDERS.**

13 (a) IN GENERAL.—Section 452(a) (42 U.S.C.  
14 652(a)) is amended—

15 (1) by striking “and” at the end of paragraph  
16 (9);

17 (2) by striking the period at the end of the 2nd  
18 sentence of paragraph (10) and inserting “; and”;  
19 and

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

21 “(11) not later than 12 months after the date  
22 of the enactment of this paragraph, develop, in con-  
23 junction with State executive and judicial organiza-  
24 tions, a uniform abstract of a child support order,  
25 for use by all State courts to record, with respect to

1 each child support order in the child support order  
2 registry established under section 466(a)(12)—

3 “(A) the date support payments are to  
4 begin under the order;

5 “(B) the circumstances upon which sup-  
6 port payments are to end under the order;

7 “(C) the amount of child support payable  
8 pursuant to the order expressed as a sum cer-  
9 tain to be paid on a monthly basis, arrearages  
10 expressed as a sum certain as of a certain date,  
11 and any payback schedule for the arrearages;

12 “(D) whether the order awards support in  
13 a lump sum (nonallocated) or per child;

14 “(E) if the award is in a lump sum, the  
15 event causing a change in the support award  
16 and the amount of any change;

17 “(F) other expenses covered by the order;

18 “(G) the names of the parents subject to  
19 the order;

20 “(H) the social security account numbers  
21 of the parents;

22 “(I) the name, date of birth, and social se-  
23 curity account number (if any) of each child  
24 covered by the order;

1           “(J) the identification (FIPS code, name,  
2           and address) of the court that issued the order;

3           “(K) any information on health care sup-  
4           port required by the order; and

5           “(L) the party to contact if additional in-  
6           formation is obtained.”.

7           (b) EFFECTIVE DATE.—The amendments made by  
8           subsection (a) shall take effect on the date of the enact-  
9           ment of this Act.

10 **SEC. 209. SOCIAL SECURITY NUMBERS ON MARRIAGE LI-**  
11 **CENSES, DIVORCE DECREES, PARENTAGE DE-**  
12 **CREES, AND BIRTH CERTIFICATES.**

13           Section 466(a) (42 U.S.C. 666(a)), as amended by  
14           sections 104, 205, 206, and 207 of this Act, is amended  
15           by inserting after paragraph (17) the following:

16           “(18) Procedures under which the social secu-  
17           rity account number (if any) of—

18           “(A) each individual applying for a mar-  
19           riage license is to be listed by the individual’s  
20           name on the license;

21           “(B) each party granted a divorce decree is  
22           to be listed by the party’s name on the decree,  
23           if any party to the decree is pregnant or a par-  
24           ent;

1           “(C) each individual determined to be a  
2           parent of a child in an action to establish par-  
3           entage is to be listed by the individual’s name  
4           on the decree containing the determination; and

5           “(D) each parent of a child is to be listed  
6           by the parent’s name on the child’s birth certifi-  
7           cate, except that, if the State agency deter-  
8           mines (in accordance with standards prescribed  
9           by the Secretary which shall take into consider-  
10          ation the best interests of the child) that there  
11          is good cause for not so listing the social secu-  
12          rity account number of a parent.”.

13 **SEC. 210. ADMINISTRATIVE SUBPOENA POWER.**

14          Section 466(a) (42 U.S.C. 666(a)), as amended by  
15          sections 104, 205, 206, 207, and 209 of this Act, is  
16          amended by inserting after paragraph (18) the following:

17          “(19) Procedures under which the State child  
18          support enforcement agency may issue a subpoena  
19          which—

20                 “(A) requires the individual served to  
21                 produce and deliver documents to, or to appear  
22                 at, a court or administrative agency on a cer-  
23                 tain date; and

24                 “(B) penalizes an individual for failing to  
25                 comply with the subpoena.”.

1 **SEC. 211. SUPPORT ORDERS OUTREACH AND DEMONSTRATIONS.**  
2

3 (a) STATES REQUIRED TO CONDUCT SURVEYS OF  
4 UNDERSERVED POPULATIONS.—

5 (1) IN GENERAL.—Part D of title IV (42  
6 U.S.C. 651–669) is amended by adding at the end  
7 the following:

8 **“SEC. 470. STATE SURVEYS OF UNDERSERVED POPU-**  
9 **LATIONS.**

10 “Each State, as a condition for having a State plan  
11 approved under this part, must conduct surveys to identify  
12 populations underserved by child support services, and de-  
13 velop outreach programs to serve such populations in  
14 places such as child care centers, parenting classes, pre-  
15 natal classes, and unemployment offices.”.

16 (2) FEDERAL FINANCIAL PARTICIPATION.—Sec-  
17 tion 455(a)(1) (42 U.S.C. 655(a)(1)) is amended—

18 (A) in subparagraph (B), by striking  
19 “and” at the end;

20 (B) in subparagraph (C) by adding “and”  
21 at the end; and

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

24 “(D) equal to 90 percent of so much of the  
25 sums expended during such quarter as are attrib-

1       utable to operating programs described in section  
2       470,”.

3       (b) MATERIALS TO ASSIST PERSONS WITH LOW LIT-  
4 ERACY LEVELS.—The Secretary of Health and Human  
5 Services shall fund demonstration projects and technical  
6 assistance grants to States to develop applications and in-  
7 formational materials directed to individuals with low lit-  
8 eracy levels or difficulties reading English.

9       (c) REVIEW OF WRITTEN MATERIALS.—The Sec-  
10 retary of Health and Human Services shall review all writ-  
11 ten materials provided to persons served by the Office of  
12 Child Support Enforcement to ensure that any require-  
13 ment contained in the materials is presented clearly and  
14 in a manner that is easily understandable by such persons.

15       (d) DEMONSTRATION PROJECTS TO IMPROVE CO-  
16 ORDINATION BETWEEN CERTAIN STATE PUBLIC ASSIST-  
17 ANCE AGENCIES.—The Secretary of Health and Human  
18 Services shall make grants to States to conduct dem-  
19 onstration projects to test various methods for improving  
20 the coordination of services and case processing between  
21 the State agency referred to in section 402(a)(3) of the  
22 Social Security Act and the State agency referred to in  
23 section 454(3) of such Act.

1 (e) REFERRAL OF CUSTODIAL PARENTS TO COMMU-  
2 NITY RESOURCES TO COMBAT DOMESTIC VIOLENCE.—  
3 Section 454 (42 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph  
5 (23);

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

8 (3) by inserting after paragraph (24) the fol-  
9 lowing:

10 “(25) provide that the agency administering the  
11 plan must refer to appropriate community resources  
12 custodial parents against whom or whose children vi-  
13 olence has been threatened as a result of cooperation  
14 with a State agency in establishing or enforcing a  
15 child support order, in accordance with procedures  
16 developed by the State to reduce the risk of violence,  
17 such as exempting the custodial parent from any re-  
18 quirement of face-to-face meetings with persons  
19 other than from the agency.”.

20 **SEC. 212. HEALTH CARE SUPPORT.**

21 (a) INCLUSION IN CHILD SUPPORT ORDERS.—

22 (1) STATE GUIDELINES.—Section 467 (42  
23 U.S.C. 667) is amended by adding at the end the  
24 following:

1       “(d)(1) Not later than the beginning of the 9th cal-  
2 endar month that begins after the date the Secretary pre-  
3 scribes final regulations in accordance with paragraph (2),  
4 each State, as a condition for having its State plan ap-  
5 proved under this part, must establish guidelines for the  
6 coverage of the health care costs of children pursuant to  
7 child support orders issued or modified in the State, which  
8 guidelines shall create a streamlined process that meets  
9 the minimum standards established by the Secretary in  
10 such regulations.

11       “(2)(A) The Secretary shall promulgate regulations  
12 which set forth minimum standards that any set of guide-  
13 lines established pursuant to paragraph (1) must meet in  
14 providing for the coverage of the health care costs of chil-  
15 dren pursuant to child support orders issued or modified  
16 in the State, including—

17               “(i) the contents of such an order with respect  
18 to the coverage of such costs;

19               “(ii) the distribution of responsibility for such  
20 costs;

21               “(iii) to the extent that such costs are to be  
22 covered through health insurance—

23                       “(I) the provision of such insurance;

24                       “(II) the payment of insurance claims; and

1           “(III) the rights of the noncustodial parent  
2           and the custodial parent to insurance informa-  
3           tion;

4           “(iv) the circumstances under which a provider  
5           of health insurance may or may not deny coverage  
6           to a child who is the subject of such an order;

7           “(v) penalties to be imposed on providers of  
8           health insurance who fail to comply with the guide-  
9           lines; and

10          “(vi) how changes in the circumstances of the  
11          noncustodial parent and the custodial parent are to  
12          be taken into account with respect to the coverage  
13          of such costs.

14          “(B) In developing such standards, the Secretary  
15          shall ensure that, in establishing guidelines pursuant to  
16          paragraph (1), the State considers the following matters  
17          in the following order of importance:

18                 “(i) The best interests of the child.

19                 “(ii) The financial and other circumstances of  
20                 the parents of the child.

21                 “(iii) Cost-effectiveness.

22          “(3) The preceding subsections of this section shall  
23          apply in like manner to the guidelines established pursu-  
24          ant to this subsection.”.

25                 (2) REGULATIONS.—

1 (A) PROPOSED REGULATIONS.—Within 9  
2 months after the date of the enactment of this  
3 Act, the Secretary of Health and Human Serv-  
4 ices shall issue proposed regulations to imple-  
5 ment the amendments made by this subsection.

6 (B) FINAL REGULATIONS.—Within 14  
7 months after the date of the enactment of this  
8 Act, the Secretary of Health and Human Serv-  
9 ices shall issue final regulations to implement  
10 the amendments made by this subsection.

11 (b) INCLUSION IN INCENTIVE PAYMENTS PROGRAM  
12 OF DEPENDENT HEALTH INSURANCE PROVIDED DUE TO  
13 SUCCESSFUL ENFORCEMENT.—

14 (1) IN GENERAL.—Section 458(b) (42 U.S.C.  
15 658(b)) is amended by adding at the end the follow-  
16 ing:

17 “(5)(A) For purposes of this section, the successful  
18 enforcement by the State of a provision of a support order  
19 requiring an absent parent to obtain health insurance for  
20 1 or more children shall be considered the collection of  
21 support from the absent parent, without regard to the  
22 means by which such support is provided.

23 “(B) The amount of support collected in any case in  
24 which the State successfully enforces a provision of a sup-  
25 port order requiring an absent parent to obtain health in-

1 surance for 1 or more children shall be the savings to the  
2 State from the provision of such health insurance to such  
3 children, as determined in accordance with a health insur-  
4 ance savings methodology adopted by the State in accord-  
5 ance with regulations prescribed by the Secretary.”.

6 (2) REGULATIONS.—Within 6 months after the  
7 date of the enactment of this Act, the Secretary of  
8 Health and Human Services shall prescribe such  
9 regulations as may be necessary to implement the  
10 amendment made by paragraph (1).

11 (3) STUDY; REPORT.—

12 (A) STUDY.—The Secretary of Health and  
13 Human Services shall conduct a study to deter-  
14 mine the incentives that should be provided to  
15 encourage States to enforce obligations of  
16 noncustodial parents to pay (and obtain medical  
17 insurance coverage with respect to) the reason-  
18 able and necessary health and dental expenses  
19 of the children to whom the noncustodial par-  
20 ents owe such obligations.

21 (B) REPORT.—Not later than 12 months  
22 after the date of the enactment of this Act, the  
23 Secretary of Health and Human Services shall  
24 submit to the Committee on Ways and Means  
25 of the House of Representatives and the Com-

1           mittee on Finance of the Senate the results of  
2           the study required by subparagraph (A).

3 **SEC. 213. RULES GOVERNING MODIFICATION OF CHILD**  
4           **SUPPORT ORDERS.**

5           (a) IN GENERAL.—Chapter 115 of title 28, United  
6 States Code, is amended by inserting after section 1738A  
7 the following:

8 **“§ 1738B. Rules governing modification of child sup-**  
9           **port orders**

10          “(a) IN GENERAL.—A court of a State may not mod-  
11 ify a child support order issued or modified with respect  
12 to a child by a court of another State, unless—

13           “(1) the child does not reside in the other  
14 State;

15           “(2) an individual who is a party to the order  
16 (other than the party seeking modification of the  
17 order) does not reside in the other State; or

18           “(3) all parties to the order have consented in  
19 writing to the modification.

20          “(b) DEFINITIONS.—As used in this section:

21           “(1) CHILD.—The term ‘child’ means an indi-  
22 vidual for whom a child support order has been is-  
23 sued pursuant to the laws of a State.

24           “(2) CHILD SUPPORT ORDER.—The term ‘child  
25 support order’ means a judgment, decree, or order

1 that requires child support (as defined in section  
2 462(b) of the Social Security Act) to be provided  
3 with respect to a child.

4 “(3) COURT.—The term ‘court’ means a court  
5 or administrative agency of a State which is author-  
6 ized by State law to establish or modify a child sup-  
7 port order.

8 “(4) STATE.—The term ‘State’ means a State  
9 of the United States, the District of Columbia, the  
10 Commonwealth of Puerto Rico, the territories and  
11 possessions of the United States, and Indian country  
12 as defined in section 1151 of title 18.”.

### 13 **TITLE III—PARENTAGE**

#### 14 **SEC. 301. PATERNITY ESTABLISHMENT.**

15 (a) STATE PLAN REQUIREMENTS.—Section 454 (42  
16 U.S.C. 654), as amended by section 211(e) of this Act,  
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 inserting after paragraph (26) the fol-  
23 lowing:

24 “(27) in order to encourage voluntary paternity  
25 acknowledgement, provide for—

1           “(A) the development and distribution of  
2 material at schools, hospitals, agencies admin-  
3 istering the programs under part A of this title  
4 and title XIX, prenatal health-care providers,  
5 WIC programs, health departments, clinics, and  
6 other appropriate locations that describe the  
7 benefits and responsibilities of paternity estab-  
8 lishment and the process by which paternity  
9 services may be obtained,

10           “(B) outreach programs at hospitals and  
11 birthing facilities and programs for prenatal  
12 care, child birth, and parenting, and

13           “(C) the use of consent procedures.”.

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

16           (1) by redesignating the 1st sentence as clause

17           (i)(I);

18           (2) by inserting after such clause the following:

19           “(II) Such procedures must provide that any  
20 such explanation to a mother include the following  
21 information:

22           “(aa) Signing a paternity acknowledgment  
23 affidavit is voluntary.

24           “(bb) Once paternity of a child is estab-  
25 lished, the father of the child has the right to

1 seek custody of the child or visitation rights  
2 with respect to the child.

3 “(cc) Once paternity of a child is estab-  
4 lished, the mother of the child has the right to  
5 seek from the father of the child financial and  
6 medical support for the child.

7 “(dd) The effect that the courts of the  
8 State will give to a signed paternity acknowl-  
9 edgment affidavit.

10 “(III) Such procedures must provide that any  
11 such explanation to a possible father include the fol-  
12 lowing information:

13 “(aa) Signing a paternity acknowledgment  
14 affidavit is voluntary.

15 “(bb) Genetic testing is available and will  
16 be provided upon request.

17 “(cc) The policy of the State with respect  
18 to payment for the cost of genetic testing.

19 “(dd) Once paternity of a child is estab-  
20 lished, the father of the child has the right to  
21 seek custody of the child or visitation rights  
22 with respect to the child.

23 “(ee) Once paternity of a child is estab-  
24 lished, the mother of the child has the right to

1 seek from the father of the child financial and  
2 medical support for the child.

3 “(ff) The effect that the courts of the  
4 State will give to a signed paternity acknowl-  
5 edgment affidavit.

6 “(IV) Such procedures must provide that the  
7 information required to be provided under subclause  
8 (II) or (III) must be provided—

9 “(aa) orally and in writing;

10 “(bb) where appropriate, in the language  
11 of the individual to whom the information is re-  
12 quired to be provided; and

13 “(cc) if the individual is blind or hearing-  
14 impaired, in a manner accessible to the individ-  
15 ual.”;

16 (3) by indenting the 2nd sentence 2 ems and  
17 redesignating such sentence as clause (ii); and

18 (4) by inserting after such clause (ii) the follow-  
19 ing:

20 “(iii) Such procedures must require the State  
21 agency responsible for maintaining birth records to  
22 offer voluntary paternity establishment services.

23 “(iv) Such procedures must require the State to  
24 use only the affidavit developed under section  
25 452(a)(7) for the voluntary acknowledgment of pa-

1       ternity, and to give full faith and credit to such an  
2       affidavit signed in any other State.

3           “(v) The Secretary shall prescribe regulations  
4       governing voluntary paternity establishment services  
5       offered by entities other than hospitals, which shall  
6       include a requirement that any State agency that  
7       provides such services must use the same materials  
8       used by, provide the personnel providing such serv-  
9       ices with the same training provided by, and evalu-  
10      ate the provision of such services in the same man-  
11      ner as hospital-based voluntary paternity establish-  
12      ment programs.”.

13       (c) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-  
14      DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is  
15      amended by inserting “, and develop an affidavit to be  
16      used for the voluntary acknowledgment of paternity” be-  
17      fore the semicolon.

18       (d) SIGNED PATERNITY ACKNOWLEDGMENT AFFIDA-  
19      VIT CONCLUSIVELY PRESUMED TO ESTABLISH PATER-  
20      NITY.—Section 466(a)(5)(D) (42 U.S.C. 666(a)(5)(D)) is  
21      amended—

22           (1) by inserting “(i)” after “(D)”; and

23           (2) by adding at the end the following:

24           “(ii)(I) Such procedures shall provide that the  
25      written voluntary acknowledgment of the paternity

1 of a child shall, upon the expiration of the challenge  
2 period, create a legal finding of paternity that has  
3 the effect of a final judgment at law which can be  
4 revised, or which can be set aside based on criteria  
5 established by the State for setting aside judgments,  
6 other than by reason of the minority of the person  
7 who executed the acknowledgment—

8 “(aa) without any further action; or

9 “(bb) at the option of the State, after a  
10 court or administrative agency with which the  
11 document containing the acknowledgment has  
12 been filed within 5 business days after the expi-  
13 ration of the challenge period issues an order  
14 establishing such paternity.

15 “(II) As used in subclause (I), the term ‘chal-  
16 lenge period’ means, with respect to an acknowledg-  
17 ment of paternity—

18 “(aa) the 30-day period that begins on the  
19 date of the acknowledgment; or

20 “(bb) if the person who executed the ac-  
21 knowledgment undergoes genetic testing within  
22 30 days after the date of the acknowledgment,  
23 the 30-day period that begins with the date the  
24 person is notified of the results of the genetic  
25 testing.”.

## 1           **TITLE IV—ENFORCEMENT**

### 2   **SEC. 401. DIRECT WAGE WITHHOLDING.**

3           (a) STATE LAW.—Section 466(b) (42 U.S.C. 666(b)),  
4 as amended by section 104 of this Act, is amended by add-  
5 ing at the end the following:

6           “(15)(A) Upon the issuance or modification by  
7 a State court or administrative agency of an order  
8 imposing a child support obligation on an individual,  
9 the State shall transmit to any employer of the indi-  
10 vidual a wage withholding order developed under  
11 section 452(a)(12) directing the employer to with-  
12 hold amounts from the wages of the individual pur-  
13 suant to the order.

14           “(B) Any individual or entity engaged in com-  
15 merce, as a condition of doing business in the State,  
16 shall, on receipt of a wage withholding order devel-  
17 oped under section 452(a)(12) that is regular on its  
18 face and has been issued by a court of any State—

19           “(i) within 3 days after receipt of the  
20 order, comply with the order;

21           “(ii) forward the amount withheld pursu-  
22 ant to the order to the State or custodial parent  
23 specified in the order; and

24           “(iii) keep records of the amounts so with-  
25 held.

1           “(C) Such an order may be served on the in-  
2           come source directly or by first-class mail.

3           “(D) An individual or entity who complies with  
4           such an order may not be held liable for wrongful  
5           withholding of income from the employee subject to  
6           the order.

7           “(E) The State shall impose a civil fine of  
8           \$1,000 on any individual or entity who receives such  
9           an order, and fails to comply with the order within  
10          10 days after receipt. The preceding sentence shall  
11          not be construed to affect the authority of any court  
12          to stay the effectiveness of the fine.

13          “(16) If the State transmits to an individual or  
14          entity engaged in commerce in another State a wage  
15          withholding order issued by the State with respect to  
16          an employee of the individual or entity, and the indi-  
17          vidual or entity contests or refuses to comply with  
18          the order, the State shall send an informational copy  
19          of the order to the registry established under sub-  
20          section (a)(12) of such other State or of the State  
21          from which the income of the employee is paid.

22          “(17) If an employee requests a hearing to con-  
23          test wage withholding based on claim of a mistake  
24          of fact, the hearing may be held in the State from  
25          which the income is paid or in which the employee

1 is employed, and, within 45 days after the income  
2 source receives the withholding order, the entity con-  
3 ducting the hearing must adjudicate the claim. The  
4 State in which the hearing is held shall provide ap-  
5 propriate services in cases enforced under the State  
6 plan to ensure that the interests of the individual to  
7 whom the withheld income is to be paid are ade-  
8 quately represented.”.

9 (b) UNIFORM WITHHOLDING ORDER.—Section  
10 452(a) (42 U.S.C. 652(a)), as amended by section 208(a)  
11 of this Act, is amended—

12 (1) by striking “and” at the end of paragraph  
13 (10);

14 (2) by striking the period at the end of para-  
15 graph (11) and inserting “; and”; and

16 (3) by inserting after paragraph (11) the fol-  
17 lowing:

18 “(12) develop a uniform order to be used in all  
19 cases in which income is to be withheld for the pay-  
20 ment of child support, which shall contain the name  
21 of the individual whose income is to be withheld, the  
22 number of children covered by the order, and the in-  
23 dividual or State to whom the withheld income is to  
24 be paid, and be generic to allow for the service of  
25 the order on all sources of income.”.

1 **SEC. 402. PRIORITIES IN APPLICATION OF WITHHELD**  
2 **WAGES.**

3 Section 466(b) (42 U.S.C. 666(a)), as amended by  
4 section 401(a) of this Act, is amended by inserting after  
5 paragraph (13) the following:

6 “(14) Procedures under which the amounts  
7 withheld pursuant to a child support or wage with-  
8 holding order are to be applied in the following  
9 order:

10 “(A) To payments of support due during  
11 the month of withholding.

12 “(B) To payments of premiums for health  
13 care insurance coverage for dependent children.

14 “(C) To payments of support due before  
15 the month of withholding, and of unreimbursed  
16 health-care expenses.”.

17 **SEC. 403. ADDITIONAL BENEFITS SUBJECT TO GARNISH-**  
18 **MENT.**

19 (a) FEDERAL DEATH BENEFITS, BLACK LUNG BEN-  
20 EFITS, AND VETERANS BENEFITS.—Section 462(f)(2) (42  
21 U.S.C. 662(f)(2)) is amended by striking “(not including”  
22 and all that follows through “compensation)”.

23 (b) WORKERS’ COMPENSATION.—Section 462(f) (42  
24 U.S.C. 662(f)) is amended—

25 (1) by striking “or” at the end of paragraph  
26 (1);

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

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

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

5 **SEC. 404. CONSUMER CREDIT PROTECTION ACT AMEND-**  
6 **MENTS.**

7           (a) **PREEMPTION OF STATE LAWS.**—Section 307 of  
8 the Consumer Credit Protection Act (15 U.S.C. 1677) is  
9 amended—

10           (1) by striking “This” and inserting “(a) IN  
11 GENERAL.—Subject to subsection (b), this”;

12           (2) by striking “or” at the end of paragraph  
13 (1);

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

16           (4) by adding at the end the following:

17           “(3) providing a cause of action, either by the  
18 State or a private individual, to enforce a Federal or  
19 State law related to garnishment for the purpose of  
20 securing child support.

21           “(b) **EXCEPTION.**—Subsection (a)(1) shall not apply  
22 to the laws of any State that prohibit or restrict garnish-  
23 ments for the purpose of securing support for any per-  
24 son.”.

1 (b) OTHER FORMS OF INCOME.—Title III of such  
2 Act (15 U.S.C. 1671 et seq.) is amended by adding at  
3 the end the following:

4 **“SEC. 308. OTHER FORMS OF INCOME.**

5 “This title does not apply to forms of income that  
6 are not earnings within the definition contained in section  
7 302(a).”.

8 (c) PRIORITY OF DEBTS.—Title III of such Act (15  
9 U.S.C. 1671 et seq.) is further amended by adding after  
10 section 308, as added by subsection (b) of this section,  
11 the following:

12 **“SEC. 309. PRIORITY OF DEBTS.**

13 “If an individual’s disposable earnings are not suffi-  
14 cient to pay—

15 “(1) a garnishment intended to satisfy a debt  
16 owed to the Federal Government; and

17 “(2) a garnishment intended to satisfy a debt  
18 related to the support of any child,

19 the debt owed to the Federal Government shall be satisfied  
20 through garnishment only after the debt related to child  
21 support has first been satisfied.”.

22 (d) ADDITIONAL INDEBTEDNESS IN ANTI-DIS-  
23 CHARGE SECTION.—Section 304 of such Act (16 U.S.C.  
24 1674) is amended—

1 (1) by redesignating subsection (b) as sub-  
2 section (c);

3 (2) in subsection (c) (as so redesignated) by  
4 striking “subsection (a) of”; and

5 (3) by inserting after subsection (a) the follow-  
6 ing:

7 “(b) No employer may discharge any employee by  
8 reason of the fact that the earnings of the employee have  
9 been subjected to garnishment for more than one indebt-  
10 edness, if not more than one indebtedness arises from a  
11 debt other than an order for the support of a child.”.

12 (e) CLERICAL AMENDMENT.—The table of sections  
13 at the beginning of the title III of the Truth in Lending  
14 Act (15 U.S.C. 1671 et seq.) is amended by adding at  
15 the end the following:

“308. Other forms of income.

“309. Priority of debts.”.

16 **SEC. 405. PROHIBITION AGAINST USE OF ELECTION OF**  
17 **REMEDIES DOCTRINE TO PREVENT COLLEC-**  
18 **TION OF CHILD SUPPORT.**

19 Section 466(a) (42 U.S.C. 666(a)), as amended by  
20 sections 104, 205, 206, 207, 209, 210, and 212 of this  
21 Act, is amended by inserting after paragraph (20) the fol-  
22 lowing:

23 “(21) Procedures which prohibit any State  
24 court from applying the doctrine of election of rem-

1 edies to prevent a custodial parent from collecting or  
2 seeking to collect child support from a noncustodial  
3 parent.”.

4 **SEC. 406. HOLD ON OCCUPATIONAL, PROFESSIONAL, AND**  
5 **BUSINESS LICENSES.**

6 (a) STATE HOLD BASED ON WARRANT OR SUPPORT  
7 DELINQUENCY.—Section 466(a) (42 U.S.C. 666(a)), as  
8 amended by sections 104, 205, 206, 207, 209, 210, 212,  
9 and 405 of this Act, is amended by inserting after para-  
10 graph (21) the following:

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

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

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

1 the release of the hold on the license, or an ex-  
2 pedited inquiry and review is completed while  
3 the individual is granted a 60-day temporary li-  
4 cense.”.

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

15 **SEC. 407. DRIVER’S LICENSES AND VEHICLE REGISTRA-**  
16 **TIONS DENIED TO PERSONS FAILING TO AP-**  
17 **PEAR IN CHILD SUPPORT CASES.**

18 Section 466(a) (42 U.S.C. 666(a)), as amended by  
19 sections 104, 205, 206, 207, 209, 210, 212, 405, and  
20 406(a) of this Act, is amended by inserting after para-  
21 graph (22) the following:

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

24 “(A) may not issue or renew the driver’s li-  
25 cense or any vehicle registration (other than

1 temporary) of any noncustodial parent who is  
2 the subject of an outstanding failure to appear  
3 warrant, *capias*, or bench warrant related to a  
4 child support proceeding that appears on the  
5 State's crime information system, until removed  
6 from the system;

7 “(B) upon receiving notice that an individ-  
8 ual to whom a State driver's license or vehicle  
9 registration has been issued is the subject of a  
10 warrant related to a child support proceeding,  
11 shall issue a show cause order to the individual  
12 requesting the individual to demonstrate why  
13 the individual's driver's license or vehicle reg-  
14 istration should not be suspended until the war-  
15 rant is removed by the State responsible for is-  
16 suing the warrant; and

17 “(C) in any case in which a show cause  
18 order has been issued as described in subpara-  
19 graph (B), may grant a temporary license or  
20 vehicle registration to the individual pending  
21 the show cause hearing or the removal of the  
22 warrant, whichever occurs first.”.

23 **SEC. 408. LIENS ON CERTIFICATES OF VEHICLE TITLE.**

24 Section 466(a) (42 U.S.C. 666(a)), as amended by  
25 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),

1 and 407 of this Act, is amended by inserting after para-  
2 graph (23) the following:

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

20 **SEC. 409. ATTACHMENT OF BANK ACCOUNTS.**

21           Section 466(a) (42 U.S.C. 666(a)), as amended by  
22 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
23 407, and 408 of this Act, is amended by inserting after  
24 paragraph (24) the following:

25           “(25) Procedures under which—

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

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

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

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

18 **SEC. 410. SEIZURE OF LOTTERY WINNINGS, SETTLEMENTS,**  
19 **PAYOUTS, AWARDS, AND BEQUESTS, AND**  
20 **SALE OF FORFEITED PROPERTY, TO PAY**  
21 **CHILD SUPPORT ARREARAGES.**

22           Section 466(a) (42 U.S.C. 666(a)), as amended by  
23 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
24 407, 408, and 409 of this Act, is amended by inserting  
25 after paragraph (25) the following:

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

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

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

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

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

23           “(i) suspend the payment until an in-  
24 quiry is made to and a response received  
25 from the agency as to whether the person

1 otherwise entitled to the payment owes a  
2 child support arrearage; and

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

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

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

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

22 “(D) If the State seizes property forfeited  
23 to the State by an individual by reason of a  
24 criminal conviction, the State shall—

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

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

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

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

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

1 **SEC. 411. FRAUDULENT TRANSFER PURSUIT.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by  
3 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
4 407, 408, 409, and 410 of this Act, is amended by insert-  
5 ing after paragraph (26) the following:

6 “(27) Procedures requiring that, in any case re-  
7 lated to child support, any transfer of property by  
8 an individual who owes a child support arrearage  
9 shall be presumed to be made with the intent to  
10 avoid payment of the arrearage, and may be rebut-  
11 ted by evidence to the contrary.”.

12 **SEC. 412. FULL IRS COLLECTION.**

13 The Secretary of the Treasury, in consultation with  
14 the Secretary of Health and Human Services, shall by reg-  
15 ulation simplify the full collection process under section  
16 6305 of the Internal Revenue Code of 1986 and reduce  
17 the amount of child support arrearage needed before an  
18 individual may apply for collection under such section.

19 **SEC. 413. TAX REFUND OFFSET PROGRAM EXPANDED TO**  
20 **COVER NON-AFDC POST-MINOR CHILDREN.**

21 Section 464(c) (42 U.S.C. 664(c)) is amended—

22 (1) by striking “(1) Except as provided in para-  
23 graph (2), as” and inserting “As”;

24 (2) by inserting “(whether or not a minor)”  
25 after “a child” each place such term appears; and

26 (3) by striking paragraphs (2) and (3).

1 **SEC. 414. ATTACHMENT OF PUBLIC AND PRIVATE RETIRE-**  
2 **MENT FUNDS.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
5 407, 408, 409, 410, and 411 of this Act, is amended by  
6 inserting after paragraph (27) the following:

7 “(28) Procedures under which an individual  
8 owed a child support arrearage (determined under a  
9 court order or an order of an administrative process  
10 established under State law) may, notwithstanding  
11 section 401(a)(13) of the Internal Revenue Code of  
12 1986, attach any interest in any public or private re-  
13 tirement plan of the individual who owes the sup-  
14 port, without the requirement of a separate court  
15 order, and with notice and an expedited hearing pro-  
16 vided if requested by the individual who owes the  
17 support.”.

18 **SEC. 415. REPORTING OF CHILD SUPPORT ARREARAGES TO**  
19 **CREDIT BUREAUS.**

20 Section 466(a)(7)(A) (42 U.S.C. 666(a)(7)(A)) is  
21 amended by striking “\$1,000” and inserting “the amount  
22 of the monthly support obligation”.

23 **SEC. 416. ELIMINATION OF STATUTES OF LIMITATIONS IN**  
24 **CHILD SUPPORT CASES.**

25 Section 466(a) (42 U.S.C. 666(a)), as amended by  
26 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),

1 407, 408, 409, 410, 411, and 414 of this Act, is amended  
2 by inserting after paragraph (28) the following:

3 “(29) Procedures which ensure that there is no  
4 limit to the period in which any court order, or order  
5 of an administrative process established under State  
6 law, for support or maintenance of a child, may be  
7 enforced.”.

8 **SEC. 417. INTEREST.**

9 Section 466(a) (42 U.S.C. 666(a)), as amended by  
10 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
11 407, 408, 409, 410, 411, 414, and 416 of this Act, is  
12 amended by inserting after paragraph (29) the following:

13 “(30) Procedures under which the State child  
14 support enforcement agency must assess and collect  
15 interest on all child support judgments, at the rate  
16 determined for interest on money judgments, in ad-  
17 dition to any late payment fee imposed by the State  
18 under section 454(21).”.

19 **SEC. 418. BANKRUPTCY.**

20 (a) DEFINITION.—Section 101 of title 11, United  
21 States Code, is amended by inserting after paragraph (12)  
22 the following:

23 “(12A) ‘debt for child support’ means a debt of  
24 a kind specified in section 523(a)(5) of this title for  
25 maintenance or support of a child of the debtor;”.

1 (b) EXCEPTION FROM AUTOMATIC STAY.—Section  
2 362(b) of title 11, United States Code, is amended—

3 (1) by inserting “(A)” after “(2);

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

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

6 “(B) under subsection (a) of the commence-  
7 ment or continuation of a civil action or administra-  
8 tive proceeding against the debtor—

9 “(i) to establish parentage;

10 “(ii) to establish, review, adjust, or modify  
11 a judgment or order creating a debt for child  
12 support; or

13 “(iii) to enforce such judgment or order to  
14 collect a debt for child support;”.

15 (c) TREATMENT OF DEBT FOR CHILD SUPPORT IN  
16 PROCEEDINGS UNDER CHAPTERS 11, 12, AND 13.—

17 (1) CHAPTER 11.—Section 1123(a) of title 11,  
18 United States Code, is amended—

19 (A) by striking “and” at the end of para-  
20 graph (6);

21 (B) by striking the period at the end of  
22 paragraph (7) and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(8) provide for the full payment when due of  
25 debts for child support unless the parent with cus-

1       today, or the guardian, of the child agrees other-  
2       wise.”.

3               (2) CHAPTER 12.—Section 1222(a) of title 11,  
4       United States Code, is amended—

5                   (A) by striking “and” at the end of para-  
6       graph (2);

7                   (B) by striking the period at the end of  
8       paragraph (3) and inserting “; and”; and

9                   (C) by adding at the end the following:

10               “(4) provide for the full payment when due of  
11       debts for child support unless the parent with cus-  
12       tody, or the guardian, of the child agrees other-  
13       wise.”.

14               (3) CHAPTER 13.—Section 1322(a) of title 11,  
15       United States Code, is amended—

16                   (A) by striking “and” at the end of para-  
17       graph (2);

18                   (B) by striking the period at the end of  
19       paragraph (3) and inserting “; and”; and

20                   (C) by adding at the end the following:

21               “(4) provide for the full payment when due of  
22       debts for child support unless the parent with cus-  
23       tody, or the guardian, of the child agrees other-  
24       wise.”.

1 (d) ASSERTION OF CLAIM FOR CHILD SUPPORT.—  
2 Subchapter I of chapter 5 of title 11, United States Code,  
3 is amended by adding at the end the following:

4 **“§ 511. Assertion of claim for child support**

5 “(a) FEE.—No fee shall be charged for filing of claim  
6 for a debt for child support.

7 “(b) REQUIREMENTS FOR APPEARANCE.—A claim  
8 for a debt for child support may be made in any court  
9 by an individual appearing—

10 “(1) personally; or

11 “(2) through an attorney admitted to practice  
12 in any district court of the United States, without  
13 the attorney’s being required to meet any admission  
14 requirements other than those applicable in the judi-  
15 cial district of the United States in which the attor-  
16 ney is admitted to practice.”.

17 (e) CLARIFICATION OF THE NONDISCHARGEABILITY  
18 OF STATE PUBLIC DEBTS AND ASSIGNED CHILD SUP-  
19 PORT BASED ON THE PROVISION OF EXPENDITURES  
20 UNDER PARTS A AND E OF TITLE IV OF THE SOCIAL  
21 SECURITY ACT.—Section 523 of title 11, United States  
22 Code, is amended by adding at the end the following:

23 “(f) For the purposes of subsection (a)(5), a debt to  
24 a child of the debtor for maintenance for or support of  
25 the child includes State public debts and assigned child

1 support based on the provision of expenditures under  
2 parts A and E of title IV of the Social Security Act.”.

3 (f) PRIORITY OF CLAIMS.—(1) Section 507 of title  
4 11, United States Code, is amended—

5 (A) in subsection (a)—

6 (i) in paragraph (8) by striking “(8)  
7 Eighth” and inserting “(9) Ninth”,

8 (ii) in paragraph (7) by striking “(7) Sev-  
9 enth” and inserting “(8) Eighth”, and

10 (iii) by inserting after paragraph (6) the  
11 following:

12 “(7) Seventh, allowed unsecured claims due to  
13 a spouse, former spouse, or child of the debtor for  
14 maintenance for or support of a child, in connection  
15 with a separation agreement, divorce decree, or  
16 other order of a court of record, a determination  
17 made in accordance with State or territorial law by  
18 a governmental unit, or a property settlement agree-  
19 ment, but not to the extent that—

20 “(A) such debt is assigned to another en-  
21 tity, voluntarily, by operation of law, or other-  
22 wise (other than debts assigned pursuant to  
23 section 402(a)(26) of the Social Security Act,  
24 or any such debt which has been assigned to

1 the Federal Government or to a State or any  
2 political subdivision of such State); or

3 “(B) such debt includes a liability des-  
4 ignated as maintenance or support unless such  
5 liability is actually in the nature of maintenance  
6 or support;”, and

7 (B) in subsection (d) by striking “or (6)” and  
8 inserting “(6), or (7)”.

9 (2) Title 11 of the United States Code is amended—

10 (A) in sections 502(i), 503(b)(1)(B)(i),  
11 523(a)(1)(A), and 1123(a)(1) by striking  
12 “507(a)(7)” and inserting “507(a)(8)”.

13 (B) in section 724(b)(2) by striking “or  
14 507(a)(6)” and inserting “507(a)(6), or 507(a)(7)”.

15 (C) in section 726(b) by striking “or (7)” and  
16 inserting “, (7), or (8)”, and

17 (D) in section 1129(a)(9)—

18 (i) in subparagraph (B) by striking “or  
19 507(a)(6)” and inserting “, 507(a)(6), or  
20 507(a)(7)”, and

21 (ii) in subparagraph (C) by striking  
22 “507(a)(7)” and inserting “507(a)(8)”.

23 (g) PROTECTION OF LIENS.—Section 522(f)(1) of  
24 title 11, United States Code, is amended to read as fol-  
25 lows:

1           “(1) a judicial lien (other than a judicial lien  
2           that secures a debt to a spouse, former spouse, or  
3           child of the debtor for maintenance for or support  
4           of a child, in connection with a separation agree-  
5           ment, divorce decree or other order of a court of  
6           record, determination made in accordance with State  
7           or territorial law by a governmental unit, or prop-  
8           erty settlement agreement, to the extent that the  
9           debt—

10                   “(A) is not assigned to another entity, vol-  
11                   untarily, by operation of law, or otherwise; and

12                   “(B) includes a liability designated as  
13                   maintenance or support, unless such liability is  
14                   actually in the nature of maintenance or sup-  
15                   port).”.

16           (h) EXCEPTION TO DISCHARGE.—Section 523 of title  
17 11, United States Code, is amended—

18                   (1) in subsection (a)—

19                           (A) in paragraph (11) by striking “or” at  
20                           the end,

21                           (B) in paragraph (12) by inserting “or”  
22                           after the semicolon at the end, and

23                           (C) by adding at the end the following:

24                           “(13) assumed or incurred by the debtor in the  
25                           course of a divorce or separation or in connection

1 with a separation agreement, divorce decree or other  
2 order of a court of record, a determination made in  
3 accordance with State or territorial law by a govern-  
4 mental unit, or property settlement agreement, un-  
5 less—

6 “(A) excepting such debt from discharge  
7 under this paragraph would impose an undue  
8 hardship for the debtor; and

9 “(B) discharging such debt would result in  
10 a benefit to the debtor that outweighs the det-  
11 rimental consequences to a child of the debt-  
12 or.”, and

13 (2) in subsection (c)(1) by striking “or (6)”  
14 each place it appears and inserting “, or (13)”.

15 (i) PROTECTION AGAINST TRUSTEE AVOIDANCE.—

16 Section 547(c) of title 11, United States Code, is amend-  
17 ed—

18 (1) by striking “or” at the end of para-  
19 graph (6);

20 (2) by redesignating paragraph (7) as  
21 paragraph (8); and

22 (3) by inserting after paragraph (6) the  
23 following new paragraph:

24 “(7) to the extent that the transfer was a bona  
25 fide payment of a debt to a spouse, former spouse,

1 or child of the debtor for maintenance for or support  
2 of such child, in connection with a separation agree-  
3 ment, divorce decree or other order of a court of  
4 record, determination made in accordance with State  
5 or territorial law by a governmental unit, or prop-  
6 erty settlement agreement, but not to the extent that  
7 such debt—

8 “(A) is assigned to another entity, volun-  
9 tarily, by operation of law, or otherwise; or

10 “(B) includes a liability designated as  
11 maintenance or support, unless such liability is  
12 actually in the nature of maintenance or sup-  
13 port; or”.

14 **SEC. 419. FEDERAL GOVERNMENT COOPERATION IN EN-**  
15 **FORCEMENT OF SUPPORT OBLIGATIONS OF**  
16 **MEMBERS AND FORMER MEMBERS OF THE**  
17 **ARMED FORCES.**

18 (a) AVAILABILITY OF CURRENT LOCATOR INFORMA-  
19 TION.—

20 (1) MAINTENANCE OF ADDRESS INFORMA-  
21 TION.—Each worldwide personnel locator service of  
22 the Armed Forces and each personnel locator service  
23 of the Armed Forces maintained for a military in-  
24 stallation shall include the residential address of  
25 each member of the Armed Forces listed in such

1 service. Within 30 days after a change of duty sta-  
2 tion or residential address of a member listed in a  
3 locator service, the Secretary concerned shall update  
4 the locator service to indicate the new residential ad-  
5 dress of the member.

6 (2) AVAILABILITY OF INFORMATION.—The Sec-  
7 retary of Defense shall prescribe regulations to make  
8 information regarding the residential address of a  
9 member of the Armed Forces available, on request,  
10 to any authorized person for the purposes of part D  
11 of title IV of the Social Security Act.

12 (3) DEFINITIONS.—For purposes of this sub-  
13 section:

14 (A) The term “authorized person” has the  
15 meaning given that term in section 453(c) of  
16 the Social Security Act (42 U.S.C. 653(c)).

17 (B) The term “Secretary concerned” has  
18 the meaning given that term in section  
19 101(a)(9) of title 10, United States Code.

20 (b) FACILITATING THE GRANTING OF LEAVE FOR  
21 ATTENDANCE AT HEARINGS.—

22 (1) REGULATIONS REQUIRED.—The Secretary  
23 concerned shall prescribe regulations to facilitate the  
24 granting of a leave of absence to a member of the  
25 Armed Forces under the jurisdiction of that Sec-

1       retary when necessary for the member to attend a  
2       hearing of a court that is conducted in connection  
3       with a civil action—

4               (A) to determine whether the member is a  
5       natural parent of a child; or

6               (B) to determine an obligation of the mem-  
7       ber to provide child support.

8       (2) WAIVER AUTHORITY.—The regulations pre-  
9       scribed under paragraph (1) may authorize a waiver  
10      of the applicability of the regulations to a member  
11      of the Armed Forces when—

12              (A) the member is serving in an area of  
13      combat operations; or

14              (B) such a waiver is otherwise necessary in  
15      the national security interest of the United  
16      States.

17      (3) DEFINITIONS.—For purposes of this sub-  
18      section:

19              (A) The term “court” has the meaning  
20      given that term in section 1408(a) of title 10,  
21      United States Code.

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

1           (C) The term “Secretary concerned” has  
2           the meaning given that term in section  
3           101(a)(9) of title 10, United States Code.

4           (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
5           PLIANCE WITH COURT ORDERS.—

6           (1) DATE OF CERTIFICATION OF COURT  
7           ORDER.—Section 1408 of title 10, United States  
8           Code, is amended—

9                   (A) by redesignating subsection (i) as sub-  
10                  section (j); and

11                   (B) by inserting after subsection (h) the  
12                  following new subsection:

13           “(i) CERTIFICATION DATE.—It is not necessary that  
14           the date of a certification of the authenticity or complete-  
15           ness of a copy of a court order for child support received  
16           by the Secretary concerned for the purposes of this section  
17           be recent in relation to the date of receipt.”.

18           (2) PAYMENTS CONSISTENT WITH ASSIGN-  
19           MENTS OF RIGHTS TO STATES.—

20                   (A) AUTHORITY.—Subsection (d)(1) of  
21                  such section is amended by inserting after the  
22                  first sentence the following: “In the case of a  
23                  spouse or former spouse who, pursuant to sec-  
24                  tion 402(a)(26) of the Social Security Act (42  
25                  U.S.C. 602(26)), assigns to a State the rights

1 of the spouse or former spouse to receive sup-  
2 port, the Secretary concerned may make the  
3 child support payments referred to in the pre-  
4 ceding sentence to that State in amounts con-  
5 sistent with the assignment of rights.”.

6 (B) RULE OF CONSTRUCTION.—Subsection  
7 (c)(2) of such section is amended—

8 (i) by inserting after the first sentence  
9 the following: “The second sentence of sub-  
10 section (d)(1) shall not be construed to  
11 create any such right, title, or interest.”;

12 (ii) by inserting “(A)” after “(2)”;  
13 and

14 (iii) by designating the last sentence  
15 as subparagraph (B) and conforming the  
16 margins accordingly.

17 (3) ARREARAGES OWED BY MEMBERS OF THE  
18 UNIFORMED SERVICES.—Part D of title IV (42  
19 U.S.C. 651–669) is amended by inserting after sec-  
20 tion 465 the following:

21 **“SEC. 465A. PAYMENT OF CHILD SUPPORT ARREARAGES**  
22 **OWED BY MEMBERS OF THE UNIFORMED**  
23 **SERVICES.**

24 “Any authority, requirement, or procedure provided  
25 in this part or section 1408 of title 10, United States

1 Code, that applies to the payment of child support owed  
2 by a member of the uniformed services (as defined in sec-  
3 tion 101 of title 37, United States Code) shall apply to  
4 the payment of child support arrearages as well as to  
5 amounts of child support that are currently due.”.

6 **SEC. 420. STATES REQUIRED TO ENACT THE UNIFORM**  
7 **INTERSTATE FAMILY SUPPORT ACT.**

8 (a) IN GENERAL.—Section 466 (42 U.S.C. 666) is  
9 amended by adding at the end the following:

10 “(f) In order to satisfy section 454(20)(A), each  
11 State must have in effect laws which adopt the officially  
12 approved version of the Uniform Interstate Family Sup-  
13 port Act adopted by the National Conference of Commis-  
14 sioners on Uniform State Laws in August 1992.”.

15 (b) EFFECTIVE DATE.—The amendment made by  
16 subsection (a) shall apply to payments under part D of  
17 title IV of the Social Security Act for calendar quarters  
18 ending 2 or more years after the date of the enactment  
19 of this Act.

20 **SEC. 421. DENIAL OF PASSPORTS TO NONCUSTODIAL PAR-**  
21 **ENTS SUBJECT TO STATE ARREST WARRANTS**  
22 **IN CASES OF NONPAYMENT OF CHILD SUP-**  
23 **PORT.**

24 The Secretary of State is authorized to refuse a pass-  
25 port or revoke, restrict, or limit a passport in any case

1 in which the Secretary of State determines or is informed  
2 by competent authority that the applicant or passport  
3 holder is a noncustodial parent who is the subject of an  
4 outstanding State warrant of arrest for nonpayment of  
5 child support, where the amount in controversy is not less  
6 than \$10,000.

7 **SEC. 422. DENIAL OF FEDERAL BENEFITS, LOANS, GUARAN-**  
8 **TEES, AND EMPLOYMENT TO CERTAIN PER-**  
9 **SONS WITH LARGE CHILD SUPPORT ARREAR-**  
10 **AGES.**

11 (a) BENEFITS, LOANS, AND GUARANTEES.—Not-  
12 withstanding any other provision of law, each agency or  
13 instrumentality of the Federal Government may not,  
14 under any program that the agency or instrumentality su-  
15 pervises or administers, provide a benefit to, make a loan  
16 to, or provide any guarantee for the benefit of, any per-  
17 son—

18 (1) whose child support arrearages, determined  
19 under a court order or an order of an administrative  
20 process established under State law, exceed \$1,000;  
21 and

22 (2) who is not in compliance with a plan or an  
23 agreement to repay the arrearages.

24 (b) EMPLOYMENT.—

1           (1) IN GENERAL.—Notwithstanding any other  
2 provision of law, an individual shall be considered in-  
3 eligible to accept employment in a position in the  
4 Federal Government if—

5           (A) such individual has child support ar-  
6 rearages, determined under a court order or an  
7 order of an administrative process established  
8 under State law, exceeding \$1,000; and

9           (B) such individual is not in compliance  
10 with a plan or agreement to repay the arrear-  
11 ages.

12           (2) REGULATIONS.—Regulations to carry out  
13 paragraph (1) shall—

14           (A) with respect to positions in the execu-  
15 tive branch, be prescribed by the President (or  
16 his designee);

17           (B) with respect to positions in the legisla-  
18 tive branch, be prescribed jointly by the Presi-  
19 dent pro tempore of the Senate and the Speak-  
20 er of the House of Representatives (or their  
21 designees); and

22           (C) with respect to positions in the judicial  
23 branch, be prescribed by the Chief Justice of  
24 the United States (or his designee).

1           (3) CHILD SUPPORT DEFINED.—For purposes  
2 of this subsection, the term “child support” has the  
3 meaning given such term in section 462 of the So-  
4 cial Security Act.

5 **SEC. 423. STATES REQUIRED TO ORDER COURTS TO ALLOW**  
6 **ASSIGNMENT OF LIFE INSURANCE BENEFITS**  
7 **TO SATISFY CHILD SUPPORT ARREARAGES.**

8           Section 466(a) (42 U.S.C. 666(a)), as amended by  
9 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
10 407, 408, 409, 410, 411, 414, 416, and 417 of this Act,  
11 is amended by inserting after paragraph (30) the follow-  
12 ing:

13           “(31) Procedures allowing State courts to—

14           “(A) order the issuer of a life insurance  
15 policy to change the beneficiary provisions of  
16 the policy to effect an assignment of the bene-  
17 fits payable to a beneficiary under the policy, in  
18 whole or in part, to a child to satisfy a child  
19 support arrearage, determined under a court  
20 order or an order of an administrative process  
21 established under State law, owed by the bene-  
22 ficiary with respect to the child; and

23           “(B) prohibit the sale, assignment, or  
24 pledge as collateral of the policy, in whole or in  
25 part, by the beneficiary of the policy.”.

1 **SEC. 424. INTERESTS IN JOINTLY HELD PROPERTY SUB-**  
2 **JECT TO ASSIGNMENT TO SATISFY CHILD**  
3 **SUPPORT ARREARAGES.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by  
5 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
6 407, 408, 409, 410, 411, 414, 416, 417, and 423 of this  
7 Act, is amended by inserting after paragraph (31) the fol-  
8 lowing:

9 “(32) Procedures allowing State courts to order  
10 the assignment of an interest in jointly held property  
11 to an individual owed a child support arrearage (de-  
12 termined under a court order or an order of an ad-  
13 ministrative process established under State law) by  
14 a holder of an interest in the property, to the extent  
15 of the arrearage.”.

16 **SEC. 425. INTERNATIONAL CHILD SUPPORT ENFORCE-**  
17 **MENT.**

18 (a) SENSE OF THE CONGRESS THAT THE UNITED  
19 STATES SHOULD RATIFY THE UNITED NATIONS CON-  
20 VENTION OF 1956.—It is the sense of the Congress that  
21 the United States should ratify the United Nations Con-  
22 vention of 1956.

23 (b) TREATMENT OF INTERNATIONAL CHILD SUP-  
24 PORT CASES AS INTERSTATE CASES.—Section 454 (42  
25 U.S.C. 654), as amended by sections 211(e) and 301(a)  
26 of this Act, is amended—

1 (1) by striking “and” at the end of paragraph  
2 (25);

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

5 (3) by inserting after paragraph (26) the fol-  
6 lowing:

7 “(27) provide that the State must treat inter-  
8 national child support cases in the same manner as  
9 the State treats interstate child support cases.”.

10 **SEC. 426. NONLIABILITY FOR DEPOSITORY INSTITUTIONS**  
11 **PROVIDING FINANCIAL RECORDS TO STATE**  
12 **CHILD SUPPORT ENFORCEMENT AGENCIES**  
13 **IN CHILD SUPPORT CASES.**

14 (a) IN GENERAL.—Notwithstanding any other provi-  
15 sion of Federal or State law, a depository institution shall  
16 not be liable under any Federal or State law to any person  
17 for disclosing any financial record of an individual to a  
18 State child support enforcement agency attempting to es-  
19 tablish, modify, or enforce a child support obligation of  
20 such individual.

21 (b) PROHIBITION OF DISCLOSURE OF FINANCIAL  
22 RECORD OBTAINED BY STATE CHILD SUPPORT EN-  
23 FORCEMENT AGENCY.—A State child support enforcement  
24 agency which obtains a financial record of an individual  
25 from a financial institution pursuant to subsection (a)

1 may disclose such financial record only for the purpose  
2 of, and to the extent necessary in, establishing, modifying,  
3 or enforcing a child support obligation of such individual.

4 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-  
5 SURE.—

6 (1) DISCLOSURE BY STATE OFFICER OR EM-  
7 PLOYEE.—If any officer or employee of a State  
8 knowingly, or by reason of negligence, discloses a fi-  
9 nancial record of an individual in violation of sub-  
10 section (b), such individual may bring a civil action  
11 for damages against the officer or employee in the  
12 personal capacity of the officer or employee, in a dis-  
13 trict court of the United States.

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

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

23 (A) the greater of—

24 (i) \$1,000 for each act of unauthor-  
25 ized disclosure of a financial record with

1                   respect to which such defendant is found  
2                   liable; or

3                   (ii) the sum of—

4                               (I) the actual damages sustained  
5                               by the plaintiff as a result of such un-  
6                               authorized disclosure; plus

7                               (II) in the case of a willful disclo-  
8                               sure or a disclosure which is the re-  
9                               sult of gross negligence, punitive dam-  
10                              ages; plus

11                   (B) the costs of the action.

12           (d) DEFINITIONS.—For purposes of this section:

13                   (1) The term “depository institution” means—

14                               (A) a depository institution, as defined by  
15                               section 3(c) of the Federal Deposit Insurance  
16                               Act;

17                               (B) an institution-affiliated party, as de-  
18                               fined by section 3(u) of such Act; and

19                               (C) any Federal credit union or State cred-  
20                               it union, as defined by section 101 of the Fed-  
21                               eral Credit Union Act, including an institution-  
22                               affiliated party of such a credit union, as de-  
23                               fined by section 206(r) of such Act.

1           (2) The term “financial record” has the mean-  
2           ing given such term by section 1101 of the Right to  
3           Financial Privacy Act of 1978.

4           (3) The term “State child support enforcement  
5           agency” means a State agency which administers a  
6           State program for establishing and enforcing child  
7           support obligations.

8   **SEC. 427. COST-OF-LIVING ADJUSTMENT OF CHILD SUP-**  
9                                   **PORT AWARDS.**

10          Part D of title IV (42 U.S.C. 651–669) is amended  
11       by inserting after section 467 the following:

12   **“SEC. 467A. COST-OF-LIVING ADJUSTMENT OF CHILD SUP-**  
13                                   **PORT AWARDS.**

14          “(a) IN GENERAL.—Each State, as a condition for  
15       having its State plan approved under this part, shall have  
16       in effect such laws and procedures as are necessary to en-  
17       sure that each child support order issued or modified in  
18       the State after the effective date of this section shall pro-  
19       vide that amount of any child support award specified in  
20       the order shall, on each anniversary of the 1st day of the  
21       calendar month in which the order is so issued or modi-  
22       fied, increase by the percentage (if any) by which—

23               “(1) the average of the Consumer Price Index  
24               (as defined in section 1(f)(5) of the Internal Reve-

1 nue Code of 1986) for the 12-month period that  
2 ends with the anniversary; exceeds

3 “(2) the average of the Consumer Price Index  
4 (as so defined) for the 12-month period that ends on  
5 such 1st day.

6 “(b) RULE OF INTERPRETATION.—Subsection (a)  
7 shall not be construed to eliminate other grounds for  
8 modifying a child support award.”.

9 **SEC. 428. ANNUAL EXCHANGE OF FINANCIAL INFORMATION**

10 **BY PARTIES TO CHILD SUPPORT ORDER.**

11 Section 466(a) (42 U.S.C. 666(a)), as amended by  
12 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
13 407, 408, 409, 410, 411, 414, 416, 417, 423, and 424  
14 of this Act, is amended by inserting after paragraph (32)  
15 the following:

16 “(33) Procedures to ensure that each party to  
17 a child support order issued or modified in the State  
18 discloses to the other party to the order a complete  
19 statement of the financial condition of the party.”.

20 **SEC. 429. CRIMINAL PENALTIES FOR FAILURE TO PAY**

21 **CHILD SUPPORT.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by  
23 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
24 407, 408, 409, 410, 411, 414, 416, 417, 423, and 424

1 of this Act, is amended by inserting after paragraph (33)  
2 the following:

3 “(34) Procedures under which—

4 “(A) criminal penalties may be imposed for  
5 the failure to pay child support; and

6 “(B) use immunity may be granted to  
7 compel testimony in civil child support proceed-  
8 ings in which the defendant claims a Fifth  
9 Amendment privilege against self-incrimination,  
10 and if granted, bars Federal or other State  
11 criminal prosecution for failure to pay child  
12 support based on the testimony given in the  
13 civil proceeding with respect to which use im-  
14 munity was granted.”.

## 15 **TITLE V—COLLECTION AND** 16 **DISTRIBUTION**

### 17 **SEC. 501. PRIORITIES IN DISTRIBUTION OF COLLECTED** 18 **CHILD SUPPORT.**

19 (a) STATE DISTRIBUTION PLAN.—Section 457 (42  
20 U.S.C. 657) is amended by adding at the end the follow-  
21 ing:

22 “(e) Beginning on September 1, 1995, the amounts  
23 that a State collects as child support (including interest)  
24 pursuant to a plan approved under this part, other than

1 amounts so collected through a tax refund offset, shall  
2 (subject to subsection (d)) be paid—

3 “(1) first to the individual owed the support or  
4 (if the individual assigned to the State the payment  
5 of the support) to the State, to the extent necessary  
6 to satisfy the current month’s support obligation;

7 “(2) then to the individual owed the support, to  
8 the extent necessary to satisfy any arrearage;

9 “(3) then, at the option of the State, to the  
10 State, to the extent necessary to reimburse the State  
11 for assistance provided with respect to the child  
12 under this title (without interest); and

13 “(4) then to other States, to the extent nec-  
14 essary to reimburse such other States for assistance  
15 provided with respect to the child under this title  
16 (without interest), in the order in which such assist-  
17 ance was provided.”.

18 (b) STUDY AND PILOT PROJECTS.—

19 (1) IN GENERAL.—The Comptroller General of  
20 the United States shall conduct studies and pilot  
21 projects of systems under which States would be re-  
22 quired to pay the child support collected pursuant to  
23 a State plan approved under part D of title IV of  
24 the Social Security Act to the individuals to whom  
25 the support is owed before making any payment to

1 reimburse any State for assistance provided with re-  
2 spect to the child under part A of such title.

3 (2) REPORT TO THE CONGRESS.—Within 3  
4 years after the date of the enactment of this Act, the  
5 Comptroller General shall submit to the Committee  
6 on Ways and Means of the House of Representatives  
7 and the Committee on Finance of the Senate a re-  
8 port on each study and pilot project conducted pur-  
9 suant to paragraph (1), including a cost-benefit  
10 analysis and an analysis of the costs that would be  
11 avoided under the program of aid to families with  
12 dependent children under part A of title IV of the  
13 Social Security Act, the program of medical assist-  
14 ance under title XIX of such Act, and the food  
15 stamp program under the Food Stamp Act of 1977,  
16 if the various systems studied were implemented.

17 (c) REVISION OF FEDERAL INCOME TAX REFUND  
18 OFFSET.—Section 6402 of the Internal Revenue Code of  
19 1986 (relating to authority to make credits or refunds)  
20 is amended—

21 (1) in subsection (c), by striking “after any  
22 other reductions allowed by law (but before” and in-  
23 serting “before any other reductions allowed by law  
24 (and before”); and

1           (2) in subsection (d), by striking “with respect  
2           to past-due support collected pursuant to an assign-  
3           ment under section 402(a)(26) of the Social Security  
4           Act”.

5           (d) \$50 DISREGARDED FOR ALL MEANS-TESTED  
6 PROGRAMS.—Section 457(b)(1) (42 U.S.C. 657(b)(1)) is  
7 amended by inserting “under this part or under any other  
8 Federal program which determines eligibility for or the  
9 amount of assistance based on the income or assets of the  
10 applicant for or recipient of the assistance” after “during  
11 such month”.

12          (e) FILL-THE-GAP POLICIES ALLOWED.—Section  
13 402(a)(28) (42 U.S.C. 602(a)(28)) is amended by striking  
14 the open parenthesis and all that follows through the close  
15 parenthesis.

16 **SEC. 502. STATE CLAIMS AGAINST NONCUSTODIAL PARENT**  
17 **LIMITED TO ASSISTANCE PROVIDED TO THE**  
18 **CHILD.**

19          Section 466(a) (42 U.S.C. 666(a)), as amended by  
20 sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
21 407, 408, 409, 410, 411, 414, 416, 417, 423, 424, 428,  
22 and 429 of this Act, is amended by inserting after para-  
23 graph (34) the following:

24           “(35)(A) Procedures under which any claims  
25           the State may have against a noncustodial parent

1 for a child’s portion of the assistance provided under  
2 a State plan approved under part A shall not exceed  
3 the amount specified as child support under a court  
4 or administrative order.

5 “(B) As used in subparagraph (A), the term  
6 ‘child’s portion’ means the assistance that would  
7 have been provided with respect to the child if the  
8 needs of the caretaker relative of the child had not  
9 been taken into account in making the determination  
10 with respect to the child’s family under section  
11 402(a)(7).”.

12 **SEC. 503. FEES FOR NON-AFDC CLIENTS.**

13 (a) IN GENERAL.—Section 454(6) (42 U.S.C.  
14 654(6)) is amended—

15 (1) in subparagraph (B), by striking “or recov-  
16 ered” and all that follows through “program”;

17 (2) in subparagraph (C), by inserting “on the  
18 parent who owes the child or spousal support obliga-  
19 tion involved” after “imposed”;

20 (3) in subparagraph (D), by striking “individ-  
21 ual who” and inserting “the noncustodial parent if  
22 the child whose parentage is to be determined  
23 through the tests”; and

24 (4) in subparagraph (E), by striking all that  
25 follows “may be collected” and inserting “from the

1 parent who owes the child or spousal support obliga-  
2 tion involved, but only after all current and past-due  
3 support and interest charges have been collected”.

4 (b) PUBLICATION OF FEE SCHEDULES.—Section  
5 454(10) (42 U.S.C. 654(10)) is amended by inserting “,  
6 and shall publish guidelines and schedules of fees which  
7 may be imposed under paragraph (6), and which shall be  
8 reasonable” before the semicolon.

9 **SEC. 504. COLLECTION AND DISBURSEMENT POINTS FOR**  
10 **CHILD SUPPORT.**

11 Section 454 (42 U.S.C. 654), as amended by sections  
12 211(e), 301(a), and 425 of this Act, is amended—

13 (1) by striking “and” at the end of paragraph  
14 (26);

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

17 (3) by inserting after paragraph (27) the fol-  
18 lowing:

19 “(28) provide for only 1 location, or several  
20 local or regional locations for the collection of, ac-  
21 counting for, and disbursement of child support in  
22 cases enforced under the State plan under this  
23 part.”.

**TITLE VI—FEDERAL ROLE****SEC. 601. PLACEMENT AND ROLE OF THE OFFICE OF CHILD  
SUPPORT ENFORCEMENT.**

Section 452(a) (42 U.S.C. 652(a)), as amended by sections 208(a) and 401(b) of this Act, is amended—

(1) in the matter preceding paragraph (1), by striking “, under the direction” and all that follows through “and who” and inserting “which shall be known as the Office of Child Support Enforcement, shall be under the direction of an Assistant Secretary appointed by the President with the advice and consent of the Senate, and shall have its own legal counsel. The Assistant Secretary shall report directly to the Secretary and”;

(2) in paragraph (10)—

(A) in subparagraph (A), by inserting “using a methodology that reflects cost-avoidance as well as cost-recovery” after “the States and the Federal Government”;

(B) by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively; and

(C) by inserting after subparagraph (G) the following:

1           “(H) the budgetary allocation of the \$50  
2           pass through equally between part A and this  
3           part;”;

4           (3) by striking “and” at the end of paragraph  
5           (11);

6           (4) by striking the period at the end of para-  
7           graph (12) and inserting “; and”; and

8           (5) by inserting after paragraph (12) the fol-  
9           lowing:

10           “(13) initiate and actively pursue with other  
11           Federal agencies, such as the Department of De-  
12           fense, coordinated efforts on Federal legislation.”.

13 **SEC. 602. TRAINING.**

14           (a) FEDERAL TRAINING ASSISTANCE.—Section  
15 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting  
16 “and training” after “technical assistance”.

17           (b) STATE TRAINING PROGRAM.—Section 454 (42  
18 U.S.C. 654), as amended by sections 211(e), 301(a), 425,  
19 and 504 of this Act, is amended—

20           (1) by striking “and” at the end of paragraph  
21           (27);

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

24           (3) by inserting after paragraph (28) the fol-  
25           lowing:

1           “(29) provide that the State will develop and  
2           implement a training program under which training  
3           is to be provided not less frequently than annually  
4           to all personnel performing functions under the  
5           State plan.”.

6           (c) REPORT.—Section 452(a)(10) (42 U.S.C.  
7 652(a)(10)), as amended by section 601(2) of this Act,  
8 is amended by redesignating subparagraphs (I) and (J)  
9 as subparagraphs (J) and (K), respectively, and by insert-  
10 ing after subparagraph (H) the following:

11                   “(I) the training activities at the Federal  
12                   and State levels, the training audit, and the  
13                   amounts expended on training;”.

14 **SEC. 603. STAFFING.**

15           (a) METHODOLOGY.—Not later than 1 year after the  
16 date of the enactment of this Act, the Secretary of Health  
17 and Human Services shall develop the methodology to be  
18 used to determine the staffing requirements of each State  
19 program operated under part D of title IV of the Social  
20 Security Act, including each agency and court involved in  
21 the program.

22           (b) IMPLEMENTATION.—Not later than 2 years after  
23 the date of the enactment of this Act, each State with  
24 a plan approved under part D of title IV of the Social  
25 Security Act shall—

1           (1) use the methodology developed pursuant to  
2           subsection (a) to determine the staffing require-  
3           ments of the State program operated under the  
4           plan, including each agency and court involved in  
5           the program; and

6           (2) staff the program, and each agency and  
7           court involved in the program, in accordance with  
8           the staffing requirements determined pursuant to  
9           paragraph (1).

10          (c) IMPLEMENTATION.—The Secretary of Health and  
11          Human Services shall reduce by 2 percent the amount oth-  
12          erwise payable to a State pursuant to section 455(a)(1)(A)  
13          of the Social Security Act for any calendar quarter ending  
14          2 or more years after the date of the enactment of this  
15          Act, if the Secretary determines that, during the quarter,  
16          the State is not in substantial compliance with subsection  
17          (b)(2).

18          **SEC. 604. CHILD SUPPORT DEFINITION.**

19          (a) IN GENERAL.—Section 452 (42 U.S.C. 652) is  
20          amended by adding at the end the following:

21                 “(j) For purposes of this part, the term ‘child sup-  
22          port’ shall have the meaning given such term in section  
23          462(b).”.

24          (b) CONFORMING AMENDMENTS.—Section 462(b)  
25          (42 U.S.C. 662(b)) is amended—

1 (1) by inserting “and lump sum” after “peri-  
2 odic”, and

3 (2) by inserting “child care,” after “clothing.”.

4 **SEC. 605. TECHNICAL CORRECTION TO ERISA DEFINITION**  
5 **OF MEDICAL CHILD SUPPORT ORDER.**

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

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

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

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

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

20 (b) EFFECTIVE DATE.—

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

24 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
25 JANUARY 1, 1995.—Any amendment to a plan re-

1       quired to be made by an amendment made by this  
2       section shall not be required to be made before the  
3       first plan year beginning on or after January 1,  
4       1995, if—

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

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

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

18       **SEC. 606. AUDITS.**

19       (a) STUDY.—

20              (1) CONTRACT AUTHORITY.—The Secretary of  
21       Health and Human Services shall enter into a con-  
22       tract for a study of the audit process of the Office  
23       of Child Support Enforcement to develop criteria  
24       and methodology for auditing the activities of State

1 child support enforcement agencies pursuant to part  
2 D of title IV of the Social Security Act.

3 (2) DESIGN OF STUDY.—The study shall be de-  
4 signed to—

5 (A) identify ways to improve the auditing  
6 process, including by—

7 (i) reducing the resources required to  
8 perform the audit;

9 (ii) simplifying procedures for States  
10 to follow in obtaining samples;

11 (iii) studying the feasibility of sam-  
12 pling cases for needed action rather than  
13 requiring sampling plans for each audit  
14 criterion; and

15 (iv) a more timely audit period of re-  
16 view; and

17 (B) develop a penalty process which—

18 (i) focuses on improving the delivery  
19 of child support services and not harming  
20 families;

21 (ii) uses a penalty not tied to any re-  
22 duction of funds payable to States under  
23 part A of title IV of the Social Security  
24 Act; and

1           (iii) should include the escrowing of  
2           funds withheld as penalties for use by  
3           States to improve their child support pro-  
4           grams in a manner approved by the Sec-  
5           retary of Health and Human Services.

6           (b) REPORT.—Not later than 90 days after comple-  
7           tion of the study required by subsection (a), the Secretary  
8           of Health and Human Services shall submit to the Com-  
9           mittee on Ways and Means of the House of Representa-  
10          tives and the Committee on Finance of the Senate a report  
11          on the results of the study.

12          (c) LIMITATION ON CASES INCLUDED IN AUDITS.—  
13          Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended—

14               (1) by inserting “(A)” after “(4)”;

15               (2) by adding “and” at the end; and

16               (3) by adding after and below the end the fol-  
17          lowing:

18               “(B) notwithstanding subparagraph (A), each  
19          audit under subparagraph (A) shall be limited to  
20          cases open on the date the audit begins and cases  
21          closed within 180 days before such date, unless the  
22          Secretary has determined, in accordance with regula-  
23          tions, that there is a need for a longitudinal review  
24          of case handling that includes cases that have been  
25          closed for more than 180 days;”.

1 **SEC. 607. ESTABLISHMENT OF CHILD SUPPORT ASSUR-**  
2 **ANCE DEMONSTRATION PROJECTS.**

3 (a) IN GENERAL.—In order to encourage States to  
4 provide a guaranteed minimum level of child support for  
5 every eligible child not receiving such support, the Sec-  
6 retary of Health and Human Services (hereafter in this  
7 section referred to as the “Secretary”) shall make grants  
8 to 4 qualified States to conduct demonstration projects for  
9 the purpose of establishing or improving a system of as-  
10 sured minimum child support payments in accordance  
11 with this section.

12 (b) CONTENTS OF APPLICATION.—An application for  
13 grants under this section shall be submitted by the  
14 Governor of a State and shall—

15 (1) contain a description of the proposed child  
16 support assurance project to be established, imple-  
17 mented, or improved using amounts provided under  
18 this section, including the level of the assured bene-  
19 fit to be provided, the specific activities to be under-  
20 taken, and the agencies that will be involved;

21 (2) specify that the project will be carried out  
22 throughout the State;

23 (3) estimate the number of children who will be  
24 eligible for assured minimum child support payments  
25 under the project, and the amounts to which they

1 will be entitled on average as individuals and in the  
2 aggregate;

3 (4) describe the child support guidelines and re-  
4 view procedures which are in use in the State and  
5 any expected modifications;

6 (5) contain a commitment by the State to carry  
7 out the project during a period of not less than 3  
8 and not more than 5 consecutive fiscal years begin-  
9 ning with fiscal year 1996;

10 (6) contain assurances that the State—

11 (A) is currently at or above the national  
12 median paternity establishment rate (as defined  
13 in section 452(g)(2) of the Social Security Act),

14 (B) will improve the performance of the  
15 agency designated by the State to carry out the  
16 requirements under part D of title IV of the  
17 Social Security Act by at least 4 percent each  
18 year in which the State operates a child support  
19 assurance project under this section in—

20 (i) the number of cases in which pa-  
21 ternity is established when required;

22 (ii) the number of cases in which child  
23 support orders are obtained; and

1 (iii) the number of cases with child  
2 support orders in which collections are  
3 made; and

4 (C) to the maximum extent possible under  
5 current law, will use Federal, State, and local  
6 job training assistance to assist individuals who  
7 have been determined to be unable to meet such  
8 individuals' child support obligations;

9 (7) describe the extent to which multiple agen-  
10 cies, including those responsible for administering  
11 the Aid to Families With Dependent Children Pro-  
12 gram under part A of title IV of the Social Security  
13 Act and child support collection, enforcement, and  
14 payment under part D of such title, will be involved  
15 in the design and operation of the child support as-  
16 surance project; and

17 (8) contain such other information as the Sec-  
18 retary may require by regulation.

19 (c) USE OF FUNDS.—A State shall use amounts pro-  
20 vided under a grant awarded under this section to carry  
21 out a child support assurance project designed to provide  
22 a minimum monthly child support benefit for each eligible  
23 child in the State to the extent that such minimum child  
24 support is not paid in a month by the noncustodial parent.

1 (d) REQUIREMENTS.—(1) A child support assurance  
2 project funded under this section shall provide that—

3 (A) any child (as defined in paragraph (2)) with  
4 a living noncustodial parent for whom a child sup-  
5 port order has been sought (as defined in paragraph  
6 (3)) or obtained and any child who meets “good  
7 cause” criteria for not seeking or enforcing a sup-  
8 port order is eligible for the assured child support  
9 benefit;

10 (B) the assured child support benefit shall be  
11 paid promptly to the custodial parent at least once  
12 a month and shall be—

13 (i) an amount determined by the State  
14 which is—

15 (I) not less than \$1,500 per year for  
16 the first child, \$1,000 per year for the sec-  
17 ond child, and \$500 per year for the third  
18 and each subsequent child, and

19 (II) not more than \$3,000 per year  
20 for the first child and \$1,000 per year for  
21 the second and each subsequent child;

22 (ii) offset and reduced to the extent that  
23 the custodial parent receives child support in a  
24 month from the noncustodial parent;

25 (iii) indexed and adjusted for inflation; and

1 (iv) in the case of a family of children with  
2 multiple noncustodial parents, calculated in the  
3 same manner as if all such children were full  
4 siblings, but any child support payment from a  
5 particular noncustodial parent shall only be ap-  
6 plied against the assured child support benefit  
7 for the child or children of that particular  
8 noncustodial parent;

9 (C) for purposes of determining the need of a  
10 child or relative and the level of assistance, one-half  
11 of the amount received as a child support payment  
12 shall be disregarded from income until the total  
13 amount of child support and Aid to Families With  
14 Dependent Children benefit received under part A of  
15 title IV of the Social Security Act equals the Federal  
16 poverty level for a family of comparable size;

17 (D) in the event that the family as a whole be-  
18 comes ineligible for Aid to Families With Dependent  
19 Children under part A of the Social Security Act due  
20 to consideration of assured child support benefits,  
21 the continuing eligibility of the caretaker for Aid to  
22 Families With Dependent Children under such title  
23 shall be calculated without consideration of the as-  
24 sured child support benefit; and

1           (E) in order to participate in the child support  
2 assurance project, the child's caretaker shall apply  
3 for services of the State's child support enforcement  
4 program under part D of title IV of the Social Secu-  
5 rity Act.

6           (2) For purposes of this section, the term "child"  
7 means an individual who is of such an age, disability, or  
8 educational status as to be eligible for child support as  
9 provided for by the law of the State in which such individ-  
10 ual resides.

11          (3) For purposes of this section, a child support order  
12 shall be deemed to have been "sought" where an individual  
13 has applied for services from the State agency designated  
14 by the State to carry out the requirements of part D of  
15 title IV of the Social Security Act or has sought a child  
16 support order through representation by private or public  
17 counsel or pro se.

18          (e) CONSIDERATION AND PRIORITY OF APPLICA-  
19 TIONS.—(1) The Secretary shall consider all applications  
20 received from States desiring to conduct demonstration  
21 projects under this section and shall approve not more  
22 than 4 applications which appear likely to contribute sig-  
23 nificantly to the achievement of the purpose of this sec-  
24 tion. In selecting States to conduct demonstration projects  
25 under this section, the Secretary shall—

1 (A) ensure that the applications selected rep-  
2 resent a diversity of minimum benefits distributed  
3 throughout the range specified in subsection  
4 (d)(1)(B)(i);

5 (B) consider the geographic dispersion and vari-  
6 ation in population of the applicants;

7 (C) give priority to States the applications of  
8 which demonstrate—

9 (i) significant recent improvements in—

10 (I) establishing paternity and child  
11 support awards,

12 (II) enforcement of child support  
13 awards, and

14 (III) collection of child support pay-  
15 ments;

16 (ii) a record of effective automation; and

17 (iii) that efforts will be made to link child  
18 support systems with other service delivery sys-  
19 tems;

20 (D) ensure that the proposed projects will be of  
21 a size sufficient to obtain a meaningful measure of  
22 the effects of child support assurance;

23 (E) give priority, first, to States intending to  
24 operate a child support assurance project on a state-  
25 wide basis, and, second, to States that are commit-

1       ted to phasing in an expansion of such project to the  
2       entire State, if interim evaluations suggest such ex-  
3       pansion is warranted; and

4               (F) ensure that, if feasible, the States selected  
5       use a variety of approaches for child support guide-  
6       lines.

7       (2) Of the States selected to participate in the dem-  
8       onstration projects conducted under this section, the Sec-  
9       retary shall require, if feasible—

10              (A) that at least 2 provide intensive integrated  
11       social services for low-income participants in the  
12       child support assurance project, for the purpose of  
13       assisting such participants in improving their em-  
14       ployment, housing, health, and educational status;  
15       and

16              (B) that at least 2 have adopted the Uniform  
17       Interstate Family Support Act.

18       (f) DURATION.—(1) During fiscal year 1995, the  
19       Secretary shall develop criteria, select the States to par-  
20       ticipate in the demonstration, and plan for the evaluation  
21       required under subsection (h). The demonstration projects  
22       conducted under this section shall commence on October  
23       1, 1995, and shall be conducted for not less than 3 and  
24       not more than 5 consecutive fiscal years, except that the  
25       Secretary may terminate a project before the end of such

1 period if the Secretary determines that the State conduct-  
2 ing the project is not in substantial compliance with the  
3 terms of the application approved by the Secretary under  
4 this section, and the Secretary may authorize the continu-  
5 ation of a project if the Secretary determines that the  
6 project has been successful.

7 (g) COST SAVINGS RECOVERY.—The Secretary shall  
8 develop a methodology to identify any State cost savings  
9 realized in connection with the implementation of a child  
10 support assurance project conducted under this Act. Any  
11 such savings realized as a result of the implementation  
12 of a child support assurance project shall be utilized for  
13 child support enforcement improvements or expansions  
14 and improvements in the Aid to Families With Dependent  
15 Children Program conducted under part A of title IV of  
16 the Social Security Act within the participating State.

17 (h) EVALUATION AND REPORT TO CONGRESS.—(1)  
18 The Secretary shall conduct an evaluation of the effective-  
19 ness of the demonstration projects funded under this sec-  
20 tion. The evaluation shall include an assessment of the ef-  
21 fect of an assured benefit on—

22 (A) income from nongovernment sources and  
23 the number of hours worked;

24 (B) the use and amount of government sup-  
25 ports;

1 (C) the ability to accumulate resources;

2 (D) the well-being of the children, including  
3 educational attainment and school behavior; and

4 (E) the State's rates of establishing paternity  
5 and support orders and of collecting support.

6 (2) Three and 5 years after commencement of the  
7 demonstration projects, the Secretary shall submit an in-  
8 terim and final report based on the evaluation to the Com-  
9 mittee on Finance and the Committee on Labor and  
10 Human Resources of the Senate, and the Committee on  
11 Ways and Means and the Committee on Education and  
12 Labor of the House of Representatives concerning the ef-  
13 fectiveness of the child support assurance projects funded  
14 under this section.

15 (i) STATE REPORTS.—The Secretary shall require  
16 each State that conducts a demonstration project under  
17 this section to annually report such information on the  
18 project's operation as the Secretary may require, except  
19 that all such information shall be reported according to  
20 a uniform format prescribed by the Secretary.

21 (j) RESTRICTIONS ON MATCHING AND USE OF  
22 FUNDS.—(1) A State conducting a demonstration project  
23 under this section shall be required—

24 (A) except as provided in paragraph (2), to pro-  
25 vide not less than 20 percent of the total amounts

1 expended in each calendar year of the project to pay  
2 the costs associated with the project funded under  
3 this section;

4 (B) to maintain its level of expenditures for  
5 child support collection, enforcement, and payment  
6 at the same level, or at a higher level, than such ex-  
7 penditures were prior to such State's participation in  
8 a demonstration project provided by this section;  
9 and

10 (C) to maintain the Aid to Families With De-  
11 pendent Children benefits provided under part A of  
12 title IV of the Social Security Act at the same level,  
13 or at a higher level, as the level of such benefits on  
14 the date of the enactment of this Act.

15 (2) A State participating in a demonstration project  
16 under this section may provide no less than 10 percent  
17 of the total amounts expended to pay the costs associated  
18 with the project funded under this section in years after  
19 the first year such project is conducted in a State if the  
20 State meets the improvements specified in subsection  
21 (b)(6)(B).

22 (k) COORDINATION WITH CERTAIN MEANS-TESTED  
23 PROGRAMS.—For purposes of—

24 (1) the United States Housing Act of 1937;

25 (2) title V of the Housing Act of 1949;

1 (3) section 101 of the Housing and Urban De-  
2 velopment Act of 1965;

3 (4) sections 221(d)(3), 235, and 236 of the Na-  
4 tional Housing Act;

5 (5) the Food Stamp Act of 1977;

6 (6) title XIX of the Social Security Act; and

7 (7) child care assistance provided through part  
8 A of title IV of the Social Security Act, the Child  
9 Care and Development Block Grant, or title XX of  
10 the Social Security Act,

11 any payment made to an individual within the demonstra-  
12 tion project area for child support up to the amount which  
13 an assured child support benefit would provide shall not  
14 be treated as income and shall not be taken into account  
15 in determining resources for the month of its receipt and  
16 the following month.

17 (l) TREATMENT OF CHILD SUPPORT BENEFIT.—Any  
18 assured child support benefit received by an individual  
19 under this Act shall be considered child support for pur-  
20 poses of the Internal Revenue Code of 1986.

21 (m) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated such sums as may be  
23 necessary in each of the fiscal years 1995, 1996, 1997,  
24 1998, 1999, and 2000 to carry out the purposes of this  
25 section.

1 **SEC. 608. CHILDREN'S TRUST FUND.**

2 (a) DESIGNATION OF CONTRIBUTIONS.—

3 (1) IN GENERAL.—Subchapter A of chapter 61  
4 of the Internal Revenue Code of 1986 (relating to  
5 returns and records) is amended by adding at the  
6 end thereof the following new part:

7 **“PART IX—CONTRIBUTIONS TO CHILDREN'S**  
8 **TRUST FUND**

“Sec. 6097. Amounts for Children's Trust Fund.

9 **“SEC. 6097. AMOUNTS FOR CHILDREN'S TRUST FUND.**

10 “Each taxpayer may include with such taxpayer's re-  
11 turn of tax imposed by chapter 1 for any taxable year a  
12 contribution by the taxpayer to the Children's Trust  
13 Fund.”.

14 (2) CLERICAL AMENDMENT.—The table of  
15 parts for subchapter A of chapter 61 of the Internal  
16 Revenue Code of 1986 is amended by adding at the  
17 end thereof the following new item:

“Part IX—Contributions for Children's Trust Fund.”.

18 (3) EFFECTIVE DATE.—The amendments made  
19 by this subsection shall apply to taxable years begin-  
20 ning after December 31, 1995.

21 (b) ESTABLISHMENT OF CHILDREN'S TRUST  
22 FUND.—

23 (1) IN GENERAL.—Subchapter A of chapter 98  
24 of the Internal Revenue Code of 1986 (relating to

1 the trust fund code) is amended by adding at the  
2 end thereof the following new section:

3 **“SEC. 9512. CHILDREN’S TRUST FUND.**

4 “(a) CREATION OF TRUST FUND.—There is estab-  
5 lished in the Treasury of the United States a trust fund  
6 to be known as the ‘Children’s Trust Fund’, consisting  
7 of such amounts as may be appropriated or credited to  
8 the Trust Fund as provided in this section or section  
9 9602(b).

10 “(b) TRANSFER TO CHILDREN’S TRUST FUND OF  
11 AMOUNTS DESIGNATED.—There is hereby appropriated to  
12 the Children’s Trust Fund amounts equivalent to the  
13 amounts contributed to such Trust Fund under section  
14 6097.

15 “(c) EXPENDITURES FROM TRUST FUND.—

16 “(1) IN GENERAL.—Amounts in the Children’s  
17 Trust Fund shall be available as provided by appro-  
18 priation Acts for making expenditures for programs  
19 regarding child support and the specific mandates  
20 described in part D of title IV of the Social Security  
21 Act, especially such mandates established by the  
22 amendments made by the Child Support Responsibil-  
23 ity Act of 1994.

24 “(2) ADMINISTRATIVE EXPENSES.—Amounts in  
25 the Children’s Trust Fund shall be available to pay

1 the administrative expenses of the Department of  
2 the Treasury directly allocable to—

3 “(A) modifying the individual income tax  
4 return forms to carry out section 6097,

5 “(B) carrying out this chapter with respect  
6 to such Trust Fund, and

7 “(C) processing amounts received under  
8 section 6097 and transferring such amounts to  
9 such Trust Fund.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-  
11 tions for subchapter A of chapter 98 of the Internal  
12 Revenue Code of 1986 is amended by adding at the  
13 end thereof the following new item:

“Sec. 9512. Children’s Trust Fund.”.

14 **SEC. 609. STUDY OF REASONS FOR NONPAYMENT OF CHILD**  
15 **SUPPORT; REPORT.**

16 (a) STUDY.—The Comptroller General of the United  
17 States shall—

18 (1) conduct a study of the causes of delin-  
19 quency in the payment of child support, including  
20 the nonpayment of child support by noncustodial  
21 parents and failure of custodial parents to cooperate  
22 in the collection of child support; and

23 (2) if a sufficient number of studies of this  
24 matter are available, review the studies.

1 (b) REPORT TO THE CONGRESS.—Within 1 year after  
2 the date of the enactment of this Act, the Comptroller  
3 General shall submit to the Committee on Ways and  
4 Means of the House of Representatives and the Committee  
5 on Finance of the Senate, and to the Office of Child Sup-  
6 port Enforcement, a report that contains the results of  
7 the study required by subsection (a), and a consolidated  
8 summary of the studies described in subsection (a)(2).

9 **SEC. 610. STUDY OF EFFECTIVENESS OF ADMINISTRATIVE**  
10 **PROCESSES; REPORT.**

11 (a) STUDY.—The Comptroller General of the United  
12 States shall conduct a study of the effectiveness of the  
13 processing of child support and parentage cases in States  
14 that use administrative processes as compared with States  
15 that use judicial or quasi-judicial processes.

16 (b) REPORT TO THE CONGRESS.—Within 1 year after  
17 the date of the enactment of this Act, the Comptroller  
18 General shall submit to the Committee on Ways and  
19 Means of the House of Representatives and the Committee  
20 on Finance of the Senate a report that contains the results  
21 of the study required by subsection (a).

22 **SEC. 611. COMPENDIUM OF STATE CHILD SUPPORT STAT-**  
23 **UTES.**

24 The Office of Child Support Enforcement shall  
25 produce and update the compendium entitled “A Guide

1 To State Child Support And Paternity Laws”, published  
2 by the National Conference of State Legislatures.

3 **SEC. 612. ESTABLISHMENT OF PERMANENT CHILD SUP-**  
4 **PORT ADVISORY COMMITTEE.**

5 (a) IN GENERAL.—The Office of Child Support En-  
6 forcement shall establish an advisory committee on child  
7 support matters composed of Federal and State legisla-  
8 tors, State child support officials, and representatives of  
9 custodial and noncustodial parents.

10 (b) FUNCTIONS.—The advisory committee estab-  
11 lished pursuant to subsection (a) shall—

12 (1) provide oversight of the implementation of  
13 Federal laws and regulations affecting child support,  
14 and the operation of Federal, State, and local child  
15 support programs; and

16 (2) provide a forum through which child sup-  
17 port problems experienced by parents, State agen-  
18 cies, the courts, and the private bar may be identi-  
19 fied, and from which recommendations on how to  
20 solve such problems may be reported to the Sec-  
21 retary of Health and Human Services and to the  
22 Congress.

23 (c) PERMANENCY.—Section 14 of the Federal Advi-  
24 sory Committee Act (5 U.S.C. App.) shall not apply to

1 the advisory committee established pursuant to subsection  
2 (a) of this section.

## 3 **TITLE VII—STATE ROLE**

### 4 **SEC. 701. ADVOCATION OF CHILDREN'S ECONOMIC SECUR-** 5 **RITY.**

6 Section 454 (42 U.S.C. 654), as amended by sections  
7 211(e), 301(a), 425, 504, and 602 of this Act, is amend-  
8 ed—

9 (1) by striking “and” at the end of paragraph  
10 (28);

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

13 (3) by inserting after paragraph (29) the fol-  
14 lowing:

15 “(30) provide that the agency administering the  
16 plan shall advocate to promote the greatest economic  
17 security possible for children, consistent with the  
18 ability of any individual who owes child support with  
19 respect to the child to provide the support.”.

### 20 **SEC. 702. DUTIES OF STATE CHILD SUPPORT AGENCIES.**

21 Section 454 (42 U.S.C. 654), as amended by sections  
22 211(e), 301(a), 425, 504, 602, and 701 of this Act, is  
23 amended—

24 (1) by striking “and” at the end of paragraph  
25 (29);

1           (2) by striking the period at the end of para-  
2 graph (30) and inserting “; and”; and

3           (3) by inserting after paragraph (30) the fol-  
4 lowing:

5           “(31) provide that the agency administering the  
6 plan shall provide to each custodial parent—

7           “(A) a written description of the services  
8 available under the plan, and a statement de-  
9 scribing the priorities applied in distributing  
10 collected child support and the rules governing  
11 confidentiality of information in child support  
12 matters;

13           “(B) a statement that at least 30 days be-  
14 fore the agency consents to the dismissal of a  
15 child support case with prejudice or a reduction  
16 of arrearages, the agency must provide notice to  
17 the custodial parent at the last known address  
18 of the custodial parent;

19           “(C) written quarterly reports on the sta-  
20 tus of any case involving the custodial parent;

21           “(D) a statement that the State is re-  
22 quired to provide services under the plan to any  
23 custodial parent who is eligible for aid under  
24 the State plan approved under part A; and

1           “(E) a statement that any custodial parent  
2           who applies for services under the plan is eligi-  
3           ble for such services, and that any application  
4           fee for such services is deferred pending deter-  
5           mination of the eligibility of the custodial par-  
6           ent for aid under the State plan approved under  
7           part A.”.

8 **SEC. 704. ADMINISTRATIVE PROCESS FOR CHANGE OF**  
9           **PAYEE IN IV-D CASES.**

10         Section 466(a) (42 U.S.C. 666(a)), as amended by  
11         sections 104, 205, 206, 207, 209, 210, 212, 405, 406(a),  
12         407, 408, 409, 410, 411, 414, 416, 417, 423, 424, 428,  
13         429, and 502 of this Act, is amended by inserting after  
14         paragraph (35) the following:

15                 “(36) Procedures under which only administra-  
16                 tive procedures are required to change the payee  
17                 under a child support order in a case under this  
18                 part, if a statement by an official of the State child  
19                 support enforcement agency is included in the court  
20                 or administrative file documenting the change.”.

21 **SEC. 705. FINANCIAL INCENTIVES.**

22         (a) ONLY CHILD SUPPORT ENFORCEMENT FUNDS  
23         SUBJECT TO REDUCTION FOR SUBSTANTIAL NONCOMPLI-  
24         ANCE.—

1           (1) IN GENERAL.—Subsection (h) of section  
2           403 (42 U.S.C. 603(h)) is hereby transferred to sec-  
3           tion 455 of the Social Security Act, redesignated as  
4           subsection (f) of such section 455, and amended—

5                   (A) in paragraph (1)—

6                           (i) by striking “Act” and inserting  
7                           “part”;

8                           (ii) by striking “part D” and inserting  
9                           “this part”; and

10                          (iii) by striking “such part” and in-  
11                          serting “this part”; and

12                          (B) in paragraph (3), by striking “this  
13                          part” and inserting “part A”.

14           (2) CONFORMING AMENDMENTS.—

15                   (A) Section 452(a)(4) (42 U.S.C.  
16                   652(a)(4)) is amended by striking “403(h)”  
17                   each place such term appears and inserting  
18                   “455(f)”.

19                   (B) Subsections (d)(3)(A), (g)(1), and  
20                   (g)(3)(A) of section 452 (42 U.S.C. 652) are  
21                   each amended by striking “403(h)” and insert-  
22                   ing “455(f)”.

23           (b) PAYMENTS TO STATES INCREASED.—

24                   (1) IN GENERAL.—Section 455(a) (42 U.S.C.  
25                   655(a)) is amended—

1 (A) in paragraph (1)—

2 (i) by striking “(a)(1)” and inserting  
3 “(a)”; and

4 (ii) in subparagraph (A), by striking  
5 “the percent specified in paragraph (2)”  
6 and inserting “90 percent”; and

7 (iii) in each of subparagraphs (B) and  
8 (C), by striking “(rather than the percent-  
9 age specified in subparagraph (A))”;

10 (B) by striking paragraph (2); and

11 (C) by redesignating subparagraphs (A),  
12 (B), and (C) of paragraph (1) as paragraphs  
13 (1), (2), and (3), respectively.

14 (2) CONFORMING AMENDMENTS.—Paragraphs  
15 (1)(B), (2)(A), and (2)(B) of section 452(d) (42  
16 U.S.C. 652(d)) are each amended by striking  
17 “455(a)(1)(B)” and inserting “455(a)(2)”.

18 (c) REPEAL OF INCENTIVE PAYMENTS TO STATES.—  
19 Section 458 (42 U.S.C. 658) is hereby repealed.

20 **SEC. 706. AVOIDANCE OF CONFLICTS OF INTEREST.**

21 Section 454 (42 U.S.C. 654), as amended by sections  
22 211(e), 301(a), 425, 504, 602, 701, and 702 of this Act,  
23 is amended—

24 (1) by striking “and” at the end of paragraph  
25 (30);

1           (2) by striking the period at the end of para-  
2           graph (31) and inserting “; and”; and

3           (3) by inserting after paragraph (31) the fol-  
4           lowing:

5           “(32) provide that the State may not seek to  
6           modify a child support order on behalf of a party to  
7           the order if the State has provided services under  
8           the State plan to another party to the order.”.

○

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