

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 785

To improve and strengthen the child support collection system.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1995

Mrs. JOHNSON of Connecticut (for herself, Mrs. ROUKEMA, Mrs. KENNELLY, Mrs. MORELLA, Mrs. LOWEY, Mrs. SCHROEDER, Ms. NORTON, Ms. RIVERS, Mrs. MEEK of Florida, Ms. HARMAN, Ms. DUNN of Washington, Mr. GREENWOOD, Ms. PELOSI, Ms. KAPTUR, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. DELAURO, Ms. PRYCE, Ms. MOLINARI, Mrs. CLAYTON, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committees on the Judiciary, National Security, Government Reform and Oversight, International Relations, Economic and Educational Opportunities, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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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 1995”.

1 (b) REFERENCE TO SOCIAL SECURITY ACT.—Except  
 2 as otherwise specifically provided, wherever in this Act an  
 3 amendment is expressed in terms of an amendment to or  
 4 repeal of a section or other provision, the reference shall  
 5 be considered to be made to that section or other provision  
 6 of the Social Security Act.

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

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

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

Sec. 101. State obligation to provide paternity establishment and child support enforcement services.

Sec. 102. Distribution of payments.

Sec. 103. Due process rights.

Sec. 104. Privacy safeguards.

Subtitle B—Program Administration and Funding

Sec. 111. Federal matching payments.

Sec. 112. Performance-based incentives and penalties.

Sec. 113. Federal and State reviews and audits.

Sec. 114. Required reporting procedures.

Sec. 115. Automated data processing requirements.

Sec. 116. Director of CSE program; staffing study.

Sec. 117. Funding for secretarial assistance to State programs.

Sec. 118. Reports and data collection by the Secretary.

Subtitle C—Locate and Case Tracking

Sec. 121. Central State and case registry.

Sec. 122. Centralized collection and disbursement of support payments.

Sec. 123. Amendments concerning income withholding.

Sec. 124. Locator information from interstate networks.

Sec. 125. Expanded Federal Parent Locator Service.

Sec. 126. Use of social security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

Sec. 131. Adoption of uniform State laws.

Sec. 132. Improvements to full faith and credit for child support orders.

Sec. 133. State laws providing expedited procedures.

Subtitle E—Paternity Establishment

Sec. 141. State laws concerning paternity establishment.

Sec. 142. Outreach for voluntary paternity establishment.

Subtitle F—Establishment and Modification of Support Orders

Sec. 151. National Child Support Guidelines Commission.

Sec. 152. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

Sec. 161. Federal income tax refund offset.

Sec. 162. Internal revenue service collection of arrears.

Sec. 163. Authority to collect support from Federal employees.

Sec. 164. Enforcement of child support obligations of members of the Armed Forces.

Sec. 165. Motor vehicle liens.

Sec. 166. Voiding of fraudulent transfers.

Sec. 167. State law authorizing suspension of licenses.

Sec. 168. Reporting arrearages to credit bureaus.

Sec. 169. Extended statute of limitation for collection of arrearages.

Sec. 170. Charges for arrearages.

Sec. 171. Denial of passports for nonpayment of child support.

Sec. 172. International child support enforcement.

Subtitle H—Medical Support

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

Subtitle I—Effect of Enactment

Sec. 191. Effective dates.

Sec. 192. Severability.

1 **Subtitle A—Eligibility and Other**  
2 **Matters Concerning Title IV–D**  
3 **Program Clients**

4 **SEC. 101. STATE OBLIGATION TO PROVIDE PATERNITY ES-**  
5 **TABLISHMENT AND CHILD SUPPORT EN-**  
6 **FORCEMENT SERVICES.**

7 (a) STATE LAW REQUIREMENTS.—Section 466(a)  
8 (42 U.S.C. 666(a)) is amended by adding at the end the  
9 following new paragraph:

1           “(12) USE OF CENTRAL CASE REGISTRY AND  
2           CENTRALIZED COLLECTIONS UNIT.—Procedures  
3           under which—

4                   “(A) every child support order established  
5                   or modified in the State on or after October 1,  
6                   1998, is recorded in the central case registry  
7                   established in accordance with section 454A(e);  
8                   and

9                   “(B) child support payments are collected  
10                  through the centralized collections unit estab-  
11                  lished in accordance with section 454B—

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

15                          “(ii) on and after October 1, 1999,  
16                          under each other order required to be re-  
17                          corded in such central case registry under  
18                          this paragraph or section 454A(e), except  
19                          as provided in subparagraph (C); and

20                          “(C)(i) parties subject to a child support  
21                          order described in subparagraph (B)(ii) may  
22                          opt out of the procedure for payment of support  
23                          through the centralized collections unit (but not  
24                          the procedure for inclusion in the central case  
25                          registry) by filing with the State agency a writ-

1           ten agreement, signed by both parties, to an  
2           alternative payment procedure; and

3           “(ii) an agreement described in clause (i)  
4           becomes void whenever either party advises the  
5           State agency of an intent to vacate the agree-  
6           ment.”.

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

9           (1) by striking paragraph (4) and inserting the  
10          following:

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

12               “(A) to provide appropriate services under  
13               this part to—

14                       “(i) each child with respect to whom  
15                       an assignment is effective under section  
16                       402(a)(26), 471(a)(17), or 1912 (except in  
17                       cases where the State agency determines,  
18                       in accordance with paragraph (25), that it  
19                       is against the best interests of the child to  
20                       do so); and

21                       “(ii) each child not described in clause  
22                       (i)—

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

1                   “(II) (on and after October 1,  
2                   1998) each child with respect to  
3                   whom a support order is recorded in  
4                   the central State case registry estab-  
5                   lished under section 454A, regardless  
6                   of whether application is made for  
7                   services under this part; and

8                   “(B) to enforce the support obligation es-  
9                   tablished with respect to the custodial parent of  
10                  a child described in subparagraph (A) unless  
11                  the parties to the order which establishes the  
12                  support obligation have opted, in accordance  
13                  with section 466(a)(12)(C), for an alternative  
14                  payment procedure.”; and

15                  (2) in paragraph (6)—

16                  (A) by striking subparagraph (A) and in-  
17                  serting the following:

18                  “(A) services under the State plan shall be  
19                  made available to nonresidents on the same  
20                  terms as to residents;”;

21                  (B) in subparagraph (B)—

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

1 (ii) by inserting “but no fees or costs  
2 shall be imposed on any absent or custo-  
3 dial parent or other individual for inclusion  
4 in the central State registry maintained  
5 pursuant to section 454A(e)”; and

6 (C) in each of subparagraphs (B), (C), and  
7 (D)—

8 (i) by indenting such subparagraph  
9 and aligning its left margin with the left  
10 margin of subparagraph (A); and

11 (ii) by striking the final comma and  
12 inserting a semicolon.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 452(g)(2)(A) (42 U.S.C.  
15 652(g)(2)(A)) is amended by striking “454(6)” each  
16 place it appears and inserting “454(4)(A)(ii)”.

17 (2) Section 454(23) (42 U.S.C. 654(23)) is  
18 amended, effective October 1, 1998, by striking “in-  
19 formation as to any application fees for such services  
20 and”.

21 (3) Section 466(a)(3)(B) (42 U.S.C.  
22 666(a)(3)(B)) is amended by striking “in the case of  
23 overdue support which a State has agreed to collect  
24 under section 454(6)” and inserting “in any other  
25 case”.

1           (4) Section 466(e) (42 U.S.C. 666(e)) is  
2           amended by striking “or (6)”.

3 **SEC. 102. DISTRIBUTION OF PAYMENTS.**

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

8           (1) in subparagraph (A)—

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

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

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

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

19           (1) by striking subsection (a) and redesignating  
20           subsection (b) as subsection (a);

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

22                   (A) in the matter preceding paragraph (2),  
23                   to read as follows:

24           “(a) IN THE CASE OF A FAMILY RECEIVING  
25 AFDC.—Amounts collected under this part during any

1 month as support of a child who is receiving assistance  
2 under part A (or a parent or caretaker relative of such  
3 a child) shall (except in the case of a State exercising the  
4 option under subsection (b)) be distributed as follows:

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

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

10 “(B) amounts received in a month which  
11 represent payments for a prior month which  
12 were made by the absent parent in the month  
13 when due;

14 and shall be paid to the family without affecting its  
15 eligibility for assistance or decreasing any amount  
16 otherwise payable as assistance to such family dur-  
17 ing such month;”;

18 (B) in paragraph (4), by striking “or (B)”  
19 and all that follows and inserting “; then (B)  
20 from any remainder, amounts equal to arrear-  
21 ages of such support obligations assigned, pur-  
22 suant to part A, to any other State or States  
23 shall be paid to such other State or States and  
24 used to pay any such arrearages (with appro-  
25 priate reimbursement of the Federal Govern-

1           ment to the extent of its participation in the fi-  
2           nancing); and then (C) any remainder shall be  
3           paid to the family.”.

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

6           “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-  
7           ILY RECEIVING AFDC.—In the case of a State electing  
8           the option under this subsection, amounts collected as de-  
9           scribed in subsection (a) shall be distributed as follows:

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

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

15           “(B) amounts received in a month which  
16           represent payments for a prior month which  
17           were made by the absent parent in the month  
18           when due;

19           and shall be paid to the family without affecting its  
20           eligibility for assistance or decreasing any amount  
21           otherwise payable as assistance to such family dur-  
22           ing such month;

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

1           “(3) third, from any remainder, amounts equal  
2           to arrearages of such support obligations assigned,  
3           pursuant to part A, to the State making the collec-  
4           tion shall be retained and used by such State to pay  
5           any such arrearages (with appropriate reimburse-  
6           ment of the Federal Government to the extent of its  
7           participation in the financing);

8           “(4) fourth, from any remainder, amounts  
9           equal to arrearages of such support obligations as-  
10          signed, pursuant to part A, to any other State or  
11          States shall be paid to such other State or States  
12          and used to pay any such arrearages (with appro-  
13          priate reimbursement of the Federal Government to  
14          the extent of its participation in the financing); and

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

17          (c) DISTRIBUTION TO A FAMILY NOT RECEIVING  
18          AFDC.—

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

21                 “(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—  
22                 Amounts collected by a State agency under this part dur-  
23                 ing any month as support of a child who is not receiving  
24                 assistance under part A (or of a parent or caretaker rel-

1 ative of such a child) shall (subject to the remaining provi-  
2 sions of this section) be distributed as follows:

3 “(1) first, amounts equal to the total of such  
4 support owed for such month shall be paid to the  
5 family;

6 “(2) second, from any remainder, amounts  
7 equal to arrearages of such support obligations for  
8 months during which such child did not receive as-  
9 sistance under part A shall be paid to the family;

10 “(3) third, from any remainder, amounts equal  
11 to arrearages of such support obligations assigned to  
12 the State making the collection pursuant to part A  
13 shall be retained and used by such State to pay any  
14 such arrearages (with appropriate reimbursement of  
15 the Federal Government to the extent of its partici-  
16 pation in the financing);

17 “(4) fourth, from any remainder, amounts  
18 equal to arrearages of such support obligations as-  
19 signed to any other State pursuant to part A shall  
20 be paid to such other State or States, and used to  
21 pay such arrearages, in the order in which such ar-  
22 rearages accrued (with appropriate reimbursement  
23 of the Federal Government to the extent of its par-  
24 ticipation in the financing).”.

1           (2) EFFECTIVE DATE.—The amendment made  
2       by paragraph (1) shall take effect on October 1,  
3       1999.

4           (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-  
5       ANCE UNDER TITLE IV–E.—Section 457(d) (42 U.S.C.  
6       657(d)) is amended, in the matter preceding paragraph  
7       (1), by striking “Notwithstanding the preceding provisions  
8       of this section, amounts” and inserting the following:

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

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

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

17               (2) under part A of such title, establishing  
18       standards applicable to States electing the alter-  
19       native formula under section 457(b) of such Act for  
20       distribution of collections on behalf of families re-  
21       ceiving Aid to Families with Dependent Children,  
22       designed to minimize irregular monthly payments to  
23       such families.

24          (f) CLERICAL AMENDMENT.—Section 454 (42 U.S.C.  
25       654) is amended—

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

3 (2) by redesignating paragraph (12) as sub-  
4 paragraph (B) of paragraph (11).

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

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

8 (A) by striking “\$50” each place such  
9 term appears and inserting “\$50, or, if greater,  
10 \$50 adjusted by the CPI (as prescribed in sec-  
11 tion 406(i));”; and

12 (B) by striking the semicolon at the end  
13 and inserting “or, in lieu of each dollar amount  
14 specified in this clause, such greater amount as  
15 the State may choose (and provide for in its  
16 State plan);”.

17 (2) CPI ADJUSTMENT.—Section 406 (42  
18 U.S.C. 606) is amended by adding at the end the  
19 following:

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

23 “(1) the Consumer Price Index (as prepared by  
24 the Department of Labor) for the third quarter of  
25 the preceding calendar year, to

1           “(2) such Consumer Price Index for the third  
2           quarter of calendar year 1996,  
3           and rounding the product, if not a multiple of \$10, to the  
4           nearer multiple of \$10.”.

5   **SEC. 103. DUE PROCESS RIGHTS.**

6           (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as  
7           amended by section 102(f) of this Act, is amended by in-  
8           serting after paragraph (11) the following new paragraph:

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

10                           “(A) individuals who are applying for or  
11                           receiving services under this part, or are parties  
12                           to cases in which services are being provided  
13                           under this part—

14                                   “(i) receive notice of all proceedings in  
15                                   which support obligations might be estab-  
16                                   lished or modified; and

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

1           “(B) individuals applying for or receiving  
2 services under this part have access to a fair  
3 hearing that meets standards established by the  
4 Secretary and ensures prompt consideration  
5 and resolution of complaints (but the resort to  
6 such procedure shall not stay the enforcement  
7 of any support order); and

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

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

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

1 **SEC. 104. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
3 U.S.C. 454) 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 adding after paragraph (24) the follow-  
9 ing:

10 “(25) will have in effect safeguards applicable  
11 to all sensitive and confidential information handled  
12 by the State agency designed to protect the privacy  
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use  
15 or disclosure of information relating to proceed-  
16 ings or actions to establish paternity, or to es-  
17 tablish or enforce support;

18 “(B) prohibitions on the release of infor-  
19 mation on the whereabouts of one party to an-  
20 other party against whom a protective order  
21 with respect to the former party has been en-  
22 tered; and

23 “(C) prohibitions on the release of infor-  
24 mation on the whereabouts of one party to an-  
25 other party if the State has reason to believe  
26 that the release of the information may result

1 in physical or emotional harm to the former  
2 party.”.

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

5 **Subtitle B—Program**  
6 **Administration and Funding**

7 **SEC. 111. FEDERAL MATCHING PAYMENTS.**

8 (a) INCREASED BASE MATCHING RATE.—Section  
9 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as  
10 follows:

11 “(2) The applicable percent for a quarter for  
12 purposes of paragraph (1)(A) is—

13 “(A) for fiscal year 1997, 69 percent,

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

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

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

19 (1) in subsection (a)(1), in the matter preced-  
20 ing subparagraph (A), by striking “From” and in-  
21 serting “Subject to subsection (c), from”; and

22 (2) by inserting after subsection (b) the follow-  
23 ing new subsection:

24 “(c) MAINTENANCE OF EFFORT.—Notwithstanding  
25 the provisions of subsection (a), total expenditures for the

1 State program under this part for fiscal year 1997 and  
2 each succeeding fiscal year, reduced by the percentage  
3 specified for such fiscal year under subsection (a)(2)(A),  
4 (B), or (C)(i), shall not be less than such total expendi-  
5 tures for fiscal year 1996, reduced by 66 percent.”.

6 **SEC. 112. PERFORMANCE-BASED INCENTIVES AND PEN-**  
7 **ALTIES.**

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

11 “INCENTIVE ADJUSTMENTS TO MATCHING RATE  
12 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—(1) IN  
13 GENERAL.—In order to encourage and reward State child  
14 support enforcement programs which perform in an effec-  
15 tive manner, the Federal matching rate for payments to  
16 a State under section 455(a)(1)(A), for each fiscal year  
17 beginning on or after October 1, 1998, shall be increased  
18 by a factor reflecting the sum of the applicable incentive  
19 adjustments (if any) determined in accordance with regu-  
20 lations under this section with respect to Statewide pater-  
21 nity establishment and to overall performance in child sup-  
22 port enforcement.

23 “(2) STANDARDS.—(A) IN GENERAL.—The Sec-  
24 retary shall specify in regulations—

25 “(i) the levels of accomplishment, and rates of  
26 improvement as alternatives to such levels, which

1 States must attain to qualify for incentive adjust-  
2 ments under this section; and

3 “(ii) the amounts of incentive adjustment that  
4 shall be awarded to States achieving specified ac-  
5 complishment or improvement levels, which amounts  
6 shall be graduated, ranging up to—

7 “(I) 5 percentage points, in connection  
8 with Statewide paternity establishment; and

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

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

22 “(3) DETERMINATION OF INCENTIVE ADJUST-  
23 MENT.—The Secretary shall determine the amount (if  
24 any) of incentive adjustment due each State on the basis  
25 of the data submitted by the State pursuant to section

1 454(15)(B) concerning the levels of accomplishment (and  
2 rates of improvement) with respect to performance indica-  
3 tors specified by the Secretary pursuant to this section.

4 “(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUST-  
5 MENT.—The total percentage point increase determined  
6 pursuant to this section with respect to a State program  
7 in a fiscal year shall apply as an adjustment to the appli-  
8 cable percent under section 455(a)(2) for payments to  
9 such State for the succeeding fiscal year.

10 “(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A  
11 State shall expend in the State program under this part  
12 all funds paid to the State by the Federal Government  
13 as a result of an incentive adjustment under this section.

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

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

19 “(A) the total number of out-of-wedlock  
20 children in the State under one year of age for  
21 whom paternity is established or acknowledged  
22 during the fiscal year, to

23 “(B) the total number of children born out  
24 of wedlock in the State during such fiscal year;  
25 and

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

5                   “(A) the percentage of cases requiring a  
6                   child support order in which such an order was  
7                   established;

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

10                  “(C) the ratio of child support collected to  
11                  child support due; and

12                  “(D) the cost-effectiveness of the State  
13                  program, as determined in accordance with  
14                  standards established by the Secretary in regu-  
15                  lations.”.

16           (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF  
17           TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as  
18           amended by section 111(a) of this Act, is amended—

19                   (1) by striking the period at the end of sub-  
20                   paragraph (C)(ii) and inserting a comma; and

21                   (2) by adding after and below subparagraph  
22                   (C), flush with the left margin of the subsection, the  
23                   following:

24           “increased by the incentive adjustment factor (if any) de-  
25           termined by the Secretary pursuant to section 458.”.

1 (c) CONFORMING AMENDMENTS.—Section 454(22)  
2 (42 U.S.C. 654(22)) is amended—

3 (1) by striking “incentive payments” the first  
4 place it appears and inserting “incentive adjust-  
5 ments”; and

6 (2) by striking “any such incentive payments  
7 made to the State for such period” and inserting  
8 “any increases in Federal payments to the State re-  
9 sulting from such incentive adjustments”.

10 (d) CALCULATION OF IV–D PATERNITY ESTABLISH-  
11 MENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C.  
12 652(g)(1)) is amended in the matter preceding subpara-  
13 graph (A) by inserting “its overall performance in child  
14 support enforcement is satisfactory (as defined in section  
15 458(b) and regulations of the Secretary), and” after  
16 “1994,”.

17 (2) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is  
18 amended—

19 (A) in subparagraph (A), in the matter preced-  
20 ing clause (i)—

21 (i) by striking “paternity establishment  
22 percentage” and inserting “IV–D paternity es-  
23 tablishment percentage”; and

24 (ii) by striking “(or all States, as the case  
25 may be)”;

1 (B) in subparagraph (A)(i), by striking “during  
2 the fiscal year”;

3 (C) in subparagraph (A)(ii)(I), by striking “as  
4 of the end of the fiscal year” and inserting “in the  
5 fiscal year or, at the option of the State, as of the  
6 end of such year”;

7 (D) in subparagraph (A)(ii)(II), by striking “or  
8 (E) as of the end of the fiscal year” and inserting  
9 “in the fiscal year or, at the option of the State, as  
10 of the end of such year”;

11 (E) in subparagraph (A)(iii)—

12 (i) by striking “during the fiscal year”;

13 and

14 (ii) by striking “and” at the end; and

15 (F) in the matter following subparagraph (A)—

16 (i) by striking “who were born out of wed-  
17 lock during the immediately preceding fiscal  
18 year” and inserting “born out of wedlock”;

19 (ii) by striking “such preceding fiscal  
20 year” both places it appears and inserting “the  
21 preceding fiscal year”; and

22 (iii) by striking “or (E)” the second place  
23 it appears.

24 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is  
25 amended—

1 (A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs  
2 (A) and (B), respectively;

3 (B) in subparagraph (A), as redesignated, by  
4 striking “the percentage of children born out-of-wedlock in the State” and inserting “the percentage of  
5 children in the State who are born out of wedlock  
6 or for whom support has not been established”; and

7 (C) in subparagraph (B), as redesignated—

8 (i) by inserting “and overall performance  
9 in child support enforcement” after “paternity  
10 establishment percentages”; and

11 (ii) by inserting “and securing support”  
12 before the period.

13 (e) REDUCTION OF PAYMENTS UNDER PART D OF  
14 TITLE IV.—

15 (1) NEW REQUIREMENTS.—Section 455 (42  
16 U.S.C. 655) is amended by inserting after sub-  
17 section (b) the following:

18 “(c)(1) If the Secretary finds, with respect to a State  
19 program under this part in a fiscal year beginning on or  
20 after October 1, 1997—

21 “(A)(i) on the basis of data submitted by a  
22 State pursuant to section 454(15)(B), that the State  
23 program in such fiscal year failed to achieve the IV—  
24  
25

1 D paternity establishment percentage (as defined in  
2 section 452(g)(2)(A)) or the appropriate level of  
3 overall performance in child support enforcement (as  
4 defined in section 458(b)(2)), or to meet other per-  
5 formance measures that may be established by the  
6 Secretary, or

7 “(ii) on the basis of an audit or audits of such  
8 State data conducted pursuant to section  
9 452(a)(4)(C), that the State data submitted pursu-  
10 ant to section 454(15)(B) is incomplete or unreli-  
11 able; and

12 “(B) that, with respect to the succeeding fiscal  
13 year—

14 “(i) the State failed to take sufficient cor-  
15 rective action to achieve the appropriate per-  
16 formance levels as described in subparagraph  
17 (A)(i) of this paragraph, or

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

21 the amounts otherwise payable to the State under this  
22 part for quarters following the end of such succeeding fis-  
23 cal year, prior to quarters following the end of the first  
24 quarter throughout which the State program is in compli-

1 ance with such performance requirement, shall be reduced  
2 by the percentage specified in paragraph (2).

3 “(2) The reductions required under paragraph (1)  
4 shall be—

5 “(A) not less than 6 nor more than 8 percent,  
6 or

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

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

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

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 403 (42 U.S.C. 603) is amend-  
24 ed by striking subsection (h).

1           (B) Section 452(a)(4) (42 U.S.C.  
2           652(a)(4)) is amended by striking “403(h)”  
3           each place such term appears and inserting  
4           “455(c)”.

5           (C) Subsections (d)(3)(A), (g)(1), and  
6           (g)(3)(A) of section 452 (42 U.S.C. 652) are  
7           each amended by striking “403(h)” and insert-  
8           ing “455(c)”.

9           (f) EFFECTIVE DATES.—

10           (1) INCENTIVE ADJUSTMENTS.—(A) The  
11           amendments made by subsections (a), (b), and (c)  
12           shall become effective October 1, 1997, except to the  
13           extent provided in subparagraph (B).

14           (B) Section 458 of the Social Security Act, as  
15           in effect prior to the enactment of this section, shall  
16           be effective for purposes of incentive payments to  
17           States for fiscal years prior to fiscal year 1999.

18           (2) PENALTY REDUCTIONS.—(A) The amend-  
19           ments made by subsection (d) shall become effective  
20           with respect to calendar quarters beginning on and  
21           after the date of enactment of this Act.

22           (B) The amendments made by subsection (e)  
23           shall become effective with respect to calendar quar-  
24           ters beginning on and after the date one year after  
25           the date of enactment of this Act.

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

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

4 (1) in paragraph (14), by striking “(14)” and  
5 inserting “(14)(A)”;

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

8 (3) by inserting after paragraph (14) the fol-  
9 lowing new paragraph:

10 “(15) provide for—

11 “(A) a process for annual reviews of and  
12 reports to the Secretary on the State program  
13 under this part, which shall include such infor-  
14 mation as may be necessary to measure State  
15 compliance with Federal requirements for exped-  
16 ited procedures and timely case processing,  
17 using such standards and procedures as are re-  
18 quired by the Secretary, under which the State  
19 agency will determine the extent to which such  
20 program is in conformity with applicable re-  
21 quirements with respect to the operation of  
22 State programs under this part (including the  
23 status of complaints filed under the procedure  
24 required under paragraph (12)(B)); and

25 “(B) a process of extracting from the  
26 State automated data processing system and

1 transmitting to the Secretary data and calcula-  
2 tions concerning the levels of accomplishment  
3 (and rates of improvement) with respect to ap-  
4 plicable performance indicators (including IV-D  
5 paternity establishment percentages and overall  
6 performance in child support enforcement) to  
7 the extent necessary for purposes of sections  
8 452(g) and 458.”.

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

11 “(4)(A) review data and calculations transmit-  
12 ted by State agencies pursuant to section  
13 454(15)(B) on State program accomplishments with  
14 respect to performance indicators for purposes of  
15 section 452(g) and 458, and determine the amount  
16 (if any) of penalty reductions pursuant to section  
17 455(c) to be applied to the State;

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

1 tional or alternative corrective actions, and technical  
2 assistance; and

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

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

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

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

24 “(II) whether collections and disburse-  
25 ments of support payments and program

1 income are carried out correctly and are  
2 properly and fully accounted for; and

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

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall be effective with respect to calendar  
7 quarters beginning on or after the date one year after en-  
8 actment of this section.

9 **SEC. 114. REQUIRED REPORTING PROCEDURES.**

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

19 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
20 U.S.C. 654), as amended by section 104(a) of this Act,  
21 is amended—

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

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

1 (3) by adding after paragraph (25) the follow-  
2 ing:

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

7 **SEC. 115. AUTOMATED DATA PROCESSING REQUIREMENTS.**

8 (a) REVISED REQUIREMENTS.—(1) Section 454(16)  
9 (42 U.S.C. 654(16)) is amended—

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

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

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

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

17 (E) by striking “(i)”; and

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

20 (2) Part D of title IV (42 U.S.C. 651–669) is amend-  
21 ed by inserting after section 454 the following new section:

22 “AUTOMATED DATA PROCESSING

23 “SEC. 454A. (a) IN GENERAL.—In order to meet the  
24 requirements of this section, for purposes of the require-  
25 ment of section 454(16), a State agency shall have in op-  
26 eration a single statewide automated data processing and

1 information retrieval system which has the capability to  
2 perform the tasks specified in this section, and performs  
3 such tasks with the frequency and in the manner specified  
4 in this part or in regulations or guidelines of the Sec-  
5 retary.

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

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

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

15 “(c) CALCULATION OF PERFORMANCE INDICA-  
16 TORS.—In order to enable the Secretary to determine the  
17 incentive and penalty adjustments required by sections  
18 452(g) and 458, the State agency shall—

19 “(1) use the automated system—

20 “(A) to maintain the requisite data on  
21 State performance with respect to paternity es-  
22 tablishment and child support enforcement in  
23 the State; and

24 “(B) to calculate the IV–D paternity es-  
25 tablishment percentage and overall performance

1 in child support enforcement for the State for  
2 each fiscal year; and

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

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

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

18 “(A) permit access to and use of data only  
19 to the extent necessary to carry out program re-  
20 sponsibilities;

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

1           “(C) ensure that data obtained or disclosed  
2           for a limited program purpose is not used or  
3           redisclosed for another, impermissible purpose.

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

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

13          “(4) TRAINING AND INFORMATION.—The State  
14          agency shall have in effect procedures to ensure that  
15          all personnel (including State and local agency staff  
16          and contractors) who may have access to or be re-  
17          quired to use sensitive or confidential program data  
18          are fully informed of applicable requirements and  
19          penalties, and are adequately trained in security pro-  
20          cedures.

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

1           (3) REGULATIONS.—Section 452 (42 U.S.C. 652) is  
2 amended by adding at the end the following:

3           “(j) The Secretary shall prescribe final regulations  
4 for implementation of the requirements of section 454A  
5 not later than 2 years after the date of the enactment of  
6 this subsection.”.

7           (4) IMPLEMENTATION TIMETABLE.—Section  
8 454(24) (42 U.S.C. 654(24)), as amended by sections  
9 104(a)(2) and 114(b)(1) of this Act, is amended to read  
10 as follows:

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

14           “(A) by October 1, 1995, meeting all re-  
15 quirements of this part which were enacted on  
16 or before the date of enactment of the Family  
17 Support Act of 1988; and

18           “(B) by October 1, 1999, meeting all re-  
19 quirements of this part enacted on or before the  
20 date of enactment of the Child Support Respon-  
21 sibility Act of 1995 (but this provision shall not  
22 be construed to alter earlier deadlines specified  
23 for elements of such system), except that such  
24 deadline shall be extended by 1 day for each

1 day (if any) by which the Secretary fails to  
2 meet the deadline imposed by section 452(j);”.

3 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-  
4 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section  
5 455(a) (42 U.S.C. 655(a)) is amended—

6 (1) in paragraph (1)(B)—

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

9 (B) by striking “so much of”; and

10 (C) by striking “which the Secretary” and  
11 all that follows and inserting “, and”; and

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

14 “(3)(A) The Secretary shall pay to each State, for  
15 each quarter in fiscal year 1996, 90 percent of so much  
16 of State expenditures described in subparagraph (1)(B) as  
17 the Secretary finds are for a system meeting the require-  
18 ments specified in section 454(16), or meeting such re-  
19 quirements without regard to clause (D) thereof.

20 “(B)(i) The Secretary shall pay to each State, for  
21 each quarter in fiscal years 1997 through 2001, the per-  
22 centage specified in clause (ii) of so much of State expend-  
23 itures described in subparagraph (1)(B) as the Secretary  
24 finds are for a system meeting the requirements specified  
25 in section 454(16) and 454A, subject to clause (iii).

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

3               “(I) 80 percent, or

4               “(II) the percentage otherwise applicable to  
5 Federal payments to the State under subparagraph  
6 (A) (as adjusted pursuant to section 458).”.

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

10       (d) ADDITIONAL PROVISIONS.—For additional provi-  
11 sions of section 454A, as added by subsection (a) of this  
12 section, see the amendments made by sections 121,  
13 122(c), and 133(d) of this Act.

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

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

18       (b) STAFFING STUDIES.—

19               (1) SCOPE.—The Secretary of Health and  
20 Human Services shall, directly or by contract, con-  
21 duct studies of the staffing of each State child sup-  
22 port enforcement program under part D of title IV  
23 of the Social Security Act. Such studies shall include  
24 a review of the staffing needs created by require-  
25 ments for automated data processing, maintenance

1 of a central case registry and centralized collections  
2 of child support, and of changes in these needs re-  
3 sulting from changes in such requirements. Such  
4 studies shall examine and report on effective staffing  
5 practices used by the States and on recommended  
6 staffing procedures.

7 (2) FREQUENCY OF STUDIES.—The Secretary  
8 shall complete the first staffing study required under  
9 paragraph (1) by October 1, 1997, and may conduct  
10 additional studies subsequently at appropriate inter-  
11 vals.

12 (3) REPORT TO THE CONGRESS.—The Sec-  
13 retary shall submit a report to the Congress stating  
14 the findings and conclusions of each study conducted  
15 under this subsection.

16 **SEC. 117. FUNDING FOR SECRETARIAL ASSISTANCE TO**  
17 **STATE PROGRAMS.**

18 Section 452 (42 U.S.C. 652), as amended by section  
19 115(a)(3) of this Act, is amended by adding at the end  
20 the following new subsection:

21 “(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING  
22 STATE PROGRAMS.—(1) There shall be available to the  
23 Secretary, from amounts appropriated for fiscal year 1996  
24 and each succeeding fiscal year for payments to States

1 under this part, the amount specified in paragraph (2) for  
2 the costs to the Secretary for—

3 “(A) information dissemination and technical  
4 assistance to States, training of State and Federal  
5 staff, staffing studies, and related activities needed  
6 to improve programs (including technical assistance  
7 concerning State automated systems);

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

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

15 “(2) The amount specified in this paragraph for a  
16 fiscal year is the amount equal to a percentage of the re-  
17 duction in Federal payments to States under part A on  
18 account of child support (including arrearages) collected  
19 in the preceding fiscal year on behalf of children receiving  
20 aid under such part A in such preceding fiscal year (as  
21 determined on the basis of the most recent reliable data  
22 available to the Secretary as of the end of the third cal-  
23 endar quarter following the end of such preceding fiscal  
24 year), equal to—

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

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

5 **SEC. 118. REPORTS AND DATA COLLECTION BY THE SEC-**  
6 **RETARY.**

7           (a) ANNUAL REPORT TO CONGRESS.—(1) Section  
8 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

9           (A) by striking “this part;” and inserting “this  
10           part, including—”; and

11           (B) by adding at the end the following indented  
12           clauses:

13                   “(i) the total amount of child support  
14                   payments collected as a result of services  
15                   furnished during such fiscal year to indi-  
16                   viduals receiving services under this part;

17                   “(ii) the cost to the States and to the  
18                   Federal Government of furnishing such  
19                   services to those individuals; and

20                   “(iii) the number of cases involving  
21                   families—

22                           “(I) who became ineligible for aid  
23                           under part A during a month in such  
24                           fiscal year; and

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

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

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

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

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

14                   (iii) by inserting “or 1912” after  
15                   “471(a)(17)”; and

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

17           (B) in each of clauses (i) and (ii), by striking  
18           “, and the total amount of such obligations”;

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

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

23           (E) by redesignating clause (v) as clause (vii),  
24           and inserting after clause (iii) the following new  
25           clauses:

1           “(iv) the total amount of support col-  
2           lected during such fiscal year and distrib-  
3           uted as current support;

4           “(v) the total amount of support col-  
5           lected during such fiscal year and distrib-  
6           uted as arrearages;

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

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

12           (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is  
13 amended by striking all that follows subparagraph (I).

14           (b) DATA COLLECTION AND REPORTING.—Section  
15 469 (42 U.S.C. 669) is amended—

16           (1) by striking subsections (a) and (b) and in-  
17           serting the following:

18           “(a) The Secretary shall collect and maintain, on a  
19 fiscal year basis, up-to-date statistics, by State, with re-  
20 spect to services to establish paternity and services to es-  
21 tablish child support obligations, the data specified in sub-  
22 section (b), separately stated, in the case of each such  
23 service, with respect to—

24           “(1) families (or dependent children) receiving  
25           aid under plans approved under part A (or E); and

1           “(2) families not receiving such aid.

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

3           “(1) the number of cases in the caseload of the  
4           State agency administering the plan under this part  
5           in which such service is needed; and

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

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

10          (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall be effective with respect to fiscal year  
12 1996 and succeeding fiscal years.

13           **Subtitle C—Locate and Case**  
14           **Tracking**

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

16          Section 454A, as added by section 115(a)(2) of this  
17 Act, is amended by adding at the end the following:

18          “(e) CENTRAL CASE REGISTRY.—(1) IN GEN-  
19 ERAL.—The automated system required under this section  
20 shall perform the functions, in accordance with the provi-  
21 sions of this subsection, of a single central registry con-  
22 taining records with respect to each case in which services  
23 are being provided by the State agency (including, on and  
24 after October 1, 1998, each order specified in section  
25 466(a)(12)), using such standardized data elements (such

1 as names, social security numbers or other uniform identi-  
2 fication numbers, dates of birth, and case identification  
3 numbers), and containing such other information (such as  
4 information on case status) as the Secretary may require.

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

7 “(A) the amount of monthly (or other periodic)  
8 support owed under the support order, and other  
9 amounts due or overdue (including arrears, interest  
10 or late payment penalties, and fees);

11 “(B) the date on which or circumstances under  
12 which the support obligation will terminate under  
13 such order;

14 “(C) all child support and related amounts col-  
15 lected (including such amounts as fees, late payment  
16 penalties, and interest on arrearages);

17 “(D) the distribution of such amounts collected;  
18 and

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

21 “(3) UPDATING AND MONITORING.—The State agen-  
22 cy shall promptly establish and maintain, and regularly  
23 monitor, case records in the registry required by this sub-  
24 section, on the basis of—

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

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

6           “(C) information on support collections and dis-  
7           tributions; and

8           “(D) any other relevant information.

9           “(f) DATA MATCHES AND OTHER DISCLOSURES OF  
10          INFORMATION.—The automated system required under  
11          this section shall have the capacity, and be used by the  
12          State agency, to extract data at such times, and in such  
13          standardized format or formats, as may be required by  
14          the Secretary, and to share and match data with, and re-  
15          ceive data from, other data bases and data matching serv-  
16          ices, in order to obtain (or provide) information necessary  
17          to enable the State agency (or Secretary or other State  
18          or Federal agencies) to carry out responsibilities under  
19          this part. Data matching activities of the State agency  
20          shall include at least the following:

21                 “(1) DATA BANK OF CHILD SUPPORT OR-  
22                 DERS.—Furnish to the Data Bank of Child Support  
23                 Orders established under section 453(h) (and update  
24                 as necessary, with information including notice of  
25                 expiration of orders) minimal information (to be

1 specified by the Secretary) on each child support  
2 case in the central case registry.

3 “(2) FEDERAL PARENT LOCATOR SERVICE.—  
4 Exchange data with the Federal Parent Locator  
5 Service for the purposes specified in section 453.

6 “(3) AFDC AND MEDICAID AGENCIES.—Ex-  
7 change data with State agencies (of the State and  
8 of other States) administering the programs under  
9 part A and title XIX, as necessary for the perform-  
10 ance of State agency responsibilities under this part  
11 and under such programs.

12 “(4) INTRA- AND INTERSTATE DATA  
13 MATCHES.—Exchange data with other agencies of  
14 the State, agencies of other States, and interstate  
15 information networks, as necessary and appropriate  
16 to carry out (or assist other States to carry out) the  
17 purposes of this part.”.

18 **SEC. 122. CENTRALIZED COLLECTION AND DISBURSEMENT**  
19 **OF SUPPORT PAYMENTS.**

20 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
21 U.S.C. 654), as amended by sections 104(a) and 114(b)  
22 of this Act, is amended—

23 (1) by striking “and” at the end of paragraph  
24 (25);

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

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

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

7                   “(A) will operate a centralized, automated  
8 unit for the collection and disbursement of child  
9 support under orders being enforced under this  
10 part, in accordance with section 454B; and

11                   “(B) will have sufficient State staff (con-  
12 sisting of State employees), and (at State op-  
13 tion) contractors reporting directly to the State  
14 agency to monitor and enforce support collec-  
15 tions through such centralized unit, including  
16 carrying out the automated data processing re-  
17 sponsibilities specified in section 454A(g) and  
18 to impose, as appropriate in particular cases,  
19 the administrative enforcement remedies speci-  
20 fied in section 466(c)(1).”.

21           (b) ESTABLISHMENT OF CENTRALIZED COLLECTION  
22 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-  
23 ed by adding after section 454A the following new section:

1 “CENTRALIZED COLLECTION AND DISBURSEMENT OF  
2 SUPPORT PAYMENTS

3 “SEC. 454B. (a) IN GENERAL.—In order to meet the  
4 requirement of section 454(27), the State agency must op-  
5 erate a single centralized, automated unit for the collection  
6 and disbursement of support payments, coordinated with  
7 the automated data system required under section 454A,  
8 in accordance with the provisions of this section, which  
9 shall be—

10 “(1) operated directly by the State agency (or  
11 by two or more State agencies under a regional co-  
12 operative agreement), or by a single contractor re-  
13 sponsible directly to the State agency; and

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

18 “(b) REQUIRED PROCEDURES.—The centralized col-  
19 lections unit shall use automated procedures, electronic  
20 processes, and computer-driven technology to the maxi-  
21 mum extent feasible, efficient, and economical, for the col-  
22 lection and disbursement of support payments, including  
23 procedures—

24 “(1) for receipt of payments from parents, em-  
25 ployers, and other States, and for disbursements to

1       custodial parents and other obligees, the State agen-  
2       cy, and the State agencies of other States;

3             “(2) for accurate identification of payments;

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

6             “(4) to furnish to either parent, upon request,  
7       timely information on the current status of support  
8       payments.”.

9       (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
10      added by section 115(a)(2) of this Act and as amended  
11      by section 121 of this Act, is amended by adding at the  
12      end the following new subsection:

13       “(g) CENTRALIZED COLLECTION AND DISTRIBUTION  
14      OF SUPPORT PAYMENTS.—The automated system re-  
15      quired under this section shall be used, to the maximum  
16      extent feasible, to assist and facilitate collections and dis-  
17      bursement of support payments through the centralized  
18      collections unit operated pursuant to section 454B,  
19      through the performance of functions including at a mini-  
20      mum—

21             “(1) generation of orders and notices to em-  
22       ployers (and other debtors) for the withholding of  
23       wages (and other income)—

24             “(A) within two working days after receipt  
25       (from the directory of New Hires established

1 under section 453(i) or any other source) of no-  
2 tice of and the income source subject to such  
3 withholding; and

4 “(B) using uniform formats directed by  
5 the Secretary;

6 “(2) ongoing monitoring to promptly identify  
7 failures to make timely payment; and

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

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

13 **SEC. 123. AMENDMENTS CONCERNING INCOME WITHHOLD-**  
14 **ING.**

15 (a) MANDATORY INCOME WITHHOLDING.—(1) Sec-  
16 tion 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read  
17 as follows:

18 “(1) INCOME WITHHOLDING.—(A) UNDER OR-  
19 DERS ENFORCED UNDER THE STATE PLAN.—Proce-  
20 dures described in subsection (b) for the withholding  
21 from income of amounts payable as support in cases  
22 subject to enforcement under the State plan.

23 “(B) UNDER CERTAIN ORDERS PREDATING  
24 CHANGE IN REQUIREMENT.—Procedures under  
25 which all child support orders issued (or modified)

1 before October 1, 1996, and which are not otherwise  
2 subject to withholding under subsection (b), shall be-  
3 come subject to withholding from wages as provided  
4 in subsection (b) if arrearages occur, without the  
5 need for a judicial or administrative hearing.”.

6 (2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is re-  
7 pealed.

8 (3) Section 466(b) (42 U.S.C. 666(b)) is amended—

9 (A) in the matter preceding paragraph (1), by  
10 striking “subsection (a)(1)” and inserting “sub-  
11 section (a)(1)(A)”;

12 (B) in paragraph (5), by striking all that fol-  
13 lows “administered by” and inserting “the State  
14 through the centralized collections unit established  
15 pursuant to section 454B, in accordance with the re-  
16 quirements of such section 454B.”;

17 (C) in paragraph (6)(A)(i)—

18 (i) by inserting “, in accordance with time-  
19 tables established by the Secretary,” after  
20 “must be required”; and

21 (ii) by striking “to the appropriate agency”  
22 and all that follows and inserting “to the State  
23 centralized collections unit within 5 working  
24 days after the date such amount would (but for  
25 this subsection) have been paid or credited to

1 the employee, for distribution in accordance  
2 with this part.”;

3 (D) in paragraph (6)(A)(ii), by inserting “be in  
4 a standard format prescribed by the Secretary, and”  
5 after “shall”; and

6 (E) in paragraph (6)(D)—

7 (i) by striking “employer who discharges”  
8 and inserting “employer who—(A) discharges”;

9 (ii) by relocating subparagraph (A), as des-  
10 igned, as an indented subparagraph after and  
11 below the introductory matter;

12 (iii) by striking the period at the end; and

13 (iv) by adding after and below subpara-  
14 graph (A) the following new subparagraph:

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

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

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

1 come withholding under section 466(b) of such Act as the  
2 Secretary may find it necessary or advisable to define.

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

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

8 “(8) LOCATOR INFORMATION FROM INTER-  
9 STATE NETWORKS.—Procedures ensuring that the  
10 State will neither provide funding for, nor use for  
11 any purpose (including any purpose unrelated to the  
12 purposes of this part), any automated interstate net-  
13 work or system used to locate individuals—

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

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

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

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

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

4 (1) in subsection (a), by striking all that follows  
5 “subsection (c))” and inserting the following:

6 “, for the purpose of establishing parentage, establishing,  
7 setting the amount of, modifying, or enforcing child sup-  
8 port obligations—

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

11 “(A) who is under an obligation to pay  
12 child support;

13 “(B) against whom such an obligation is  
14 sought; or

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

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

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

4 (2) in subsection (b)—

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

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

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

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

22 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR  
23 CREDIT REPORTING ACT.—(1) Section 608 of the Fair  
24 Credit Reporting Act (15 U.S.C. 1681f) is amended—

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

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

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

14 “(g) The Secretary is authorized to reimburse costs  
15 to State agencies and consumer credit reporting agencies  
16 the costs incurred by such entities in furnishing informa-  
17 tion requested by the Secretary pursuant to this section  
18 in an amount which the Secretary determines to be rea-  
19 sonable payment for the data exchange (which amount  
20 shall not include payment for the costs of obtaining, com-  
21 piling, or maintaining the data).”.

22 (d) DISCLOSURE OF TAX RETURN INFORMATION.—  
23 (1) Section 6103(1)(6)(A)(ii) of the Internal Revenue  
24 Code of 1986 is amended by striking “, but only if” and  
25 all that follows and inserting a period.

1           (2) Section 6103(1)(8)(A) of the Internal Revenue  
2 Code of 1986 is amended by inserting “Federal,” before  
3 “State or local”.

4           (e) TECHNICAL AMENDMENTS.—

5           (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
6 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),  
7 663(a), and 663(e)) are each amended by inserting  
8 “Federal” before “Parent” each place it appears.

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

12           (f) NEW COMPONENTS.—Section 453 (42 U.S.C.  
13 653), as amended by subsection (c)(2) of this section, is  
14 amended by adding at the end the following:

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

16           “(1) IN GENERAL.—Not later than October 1,  
17 1998, In order to assist States in administering  
18 their State plans under this part and parts A, F,  
19 and G, and for the other purposes specified in this  
20 section, the Secretary shall establish and maintain in  
21 the Federal Parent Locator Service an automated  
22 registry to be known as the Data Bank of Child  
23 Support Orders, which shall contain abstracts of  
24 child support orders and other information described  
25 in paragraph (2) on each case in each State central

1 case registry maintained pursuant to section  
2 454A(e), as furnished (and regularly updated), pur-  
3 suant to section 454A(f), by State agencies admin-  
4 istering programs under this part.

5 “(2) CASE INFORMATION.—The information re-  
6 ferred to in paragraph (1), as specified by the Sec-  
7 retary, shall include sufficient information (including  
8 names, social security numbers or other uniform  
9 identification numbers, and State case identification  
10 numbers) to identify the individuals who owe or are  
11 owed support (or with respect to or on behalf of  
12 whom support obligations are sought to be estab-  
13 lished), and the State or States which have estab-  
14 lished or modified, or are enforcing or seeking to es-  
15 tablish, such an order.

16 “(i) DIRECTORY OF NEW HIRES.—

17 “(1) IN GENERAL.—Not later than October 1,  
18 1998, In order to assist States in administering  
19 their State plans under this part and parts A, F,  
20 and G, and for the other purposes specified in this  
21 section, the Secretary shall establish and maintain in  
22 the Federal Parent Locator Service an automated  
23 directory to be known as the directory of New Hires,  
24 containing—

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

4           “(B) information supplied by State agen-  
5 cies administering State unemployment com-  
6 pensation laws, in accordance with paragraph  
7 (3).

8           “(2) EMPLOYER INFORMATION.—

9           “(A) INFORMATION REQUIRED.—Subject  
10 to subparagraph (D), each employer shall fur-  
11 nish to the Secretary, for inclusion in the direc-  
12 tory established under this subsection, not later  
13 than 10 days after the date (on or after Octo-  
14 ber 1, 1998) on which the employer hires a new  
15 employee (as defined in subparagraph (C)), a  
16 report containing the name, date of birth, and  
17 social security number of such employee, and  
18 the employer identification number of the em-  
19 ployer.

20           “(B) REPORTING METHOD AND FOR-  
21 MAT.—The Secretary shall provide for trans-  
22 mission of the reports required under subpara-  
23 graph (A) using formats and methods which  
24 minimize the burden on employers, which shall  
25 include—

1           “(i) automated or electronic trans-  
2           mission of such reports;

3           “(ii) transmission by regular mail;  
4           and

5           “(iii) transmission of a copy of the  
6           form required for purposes of compliance  
7           with section 3402 of the Internal Revenue  
8           Code of 1986.

9           “(C) EMPLOYEE DEFINED.—For purposes  
10          of this paragraph, the term ‘employee’ means  
11          any individual subject to the requirement of  
12          section 3402(f)(2) of the Internal Revenue Code  
13          of 1986.

14          “(D) PAPERWORK REDUCTION REQUIRE-  
15          MENT.—As required by the information re-  
16          sources management policies published by the  
17          Director of the Office of Management and  
18          Budget pursuant to section 3504(b)(1) of title  
19          44, United States Code, the Secretary, in order  
20          to minimize the cost and reporting burden on  
21          employers, shall not require reporting pursuant  
22          to this paragraph if an alternative reporting  
23          mechanism can be developed that either relies  
24          on existing Federal or State reporting or en-  
25          ables the Secretary to collect the needed infor-

1           mation in a more cost-effective and equally ex-  
2           peditious manner, taking into account the re-  
3           porting costs on employers.

4           “(E) CIVIL MONEY PENALTY ON NON-  
5           COMPLYING EMPLOYERS.—(i) Any employer  
6           that fails to make a timely report in accordance  
7           with this paragraph with respect to an individ-  
8           ual shall be subject to a civil money penalty, for  
9           each calendar year in which the failure occurs,  
10          of the lesser of \$500 or 1 percent of the wages  
11          or other compensation paid by such employer to  
12          such individual during such calendar year.

13          “(ii) Subject to clause (iii), the provisions  
14          of section 1128A (other than subsections (a)  
15          and (b) thereof) shall apply to a civil money  
16          penalty under clause (i) in the same manner as  
17          they apply to a civil money penalty or proceed-  
18          ing under section 1128A(a).

19          “(iii) Any employer with respect to whom  
20          a penalty under this subparagraph is upheld  
21          after an administrative hearing shall be liable to  
22          pay all costs of the Secretary with respect to  
23          such hearing.

24          “(3) EMPLOYMENT SECURITY INFORMATION.—

1           “(A) REPORTING REQUIREMENT.—Each  
2 State agency administering a State unemploy-  
3 ment compensation law approved by the Sec-  
4 retary of Labor under the Federal Unemploy-  
5 ment Tax Act shall furnish to the Secretary of  
6 Health and Human Services extracts of the re-  
7 ports to the Secretary of Labor concerning the  
8 wages and unemployment compensation paid to  
9 individuals required under section 303(a)(6), in  
10 accordance with subparagraph (B).

11           “(B) MANNER OF COMPLIANCE.—The ex-  
12 tracts required under subparagraph (A) shall be  
13 furnished to the Secretary of Health and  
14 Human Services on a quarterly basis, with re-  
15 spect to calendar quarters beginning on and  
16 after October 1, 1996, by such dates, in such  
17 format, and containing such information as re-  
18 quired by that Secretary in regulations.

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

20           “(1) VERIFICATION BY SOCIAL SECURITY AD-  
21 MINISTRATION.—(A) The Secretary shall transmit  
22 data on individuals and employers maintained under  
23 this section to the Social Security Administration to  
24 the extent necessary for verification in accordance  
25 with subparagraph (B).

1           “(B) The Social Security Administration shall  
2 verify the accuracy of, correct or supply to the ex-  
3 tent necessary and feasible, and report to the Sec-  
4 retary, the following information in data supplied by  
5 the Secretary pursuant to subparagraph (A):

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

8           “(ii) the employer identification number of  
9 each employer.

10           “(2) CHILD SUPPORT LOCATOR MATCHES.—For  
11 the purpose of locating individuals for purposes of  
12 paternity establishment and establishment and en-  
13 forcement of child support, the Secretary shall—

14           “(A) match data in the directory of New  
15 Hires against the child support order abstracts  
16 in the Data Bank of Child Support Orders not  
17 less often than every 2 working days; and

18           “(B) report information obtained from  
19 such a match to concerned State agencies oper-  
20 ating programs under this part not later than  
21 2 working days after such match.

22           “(3) DATA MATCHES AND DISCLOSURES OF  
23 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM  
24 PURPOSES.—The Secretary shall—

1           “(A) perform matches of data in each com-  
2           ponent of the Federal Parent Locator Service  
3           maintained under this section against data in  
4           each other such component (other than the  
5           matches required pursuant to paragraph (1)),  
6           and report information resulting from such  
7           matches to State agencies operating programs  
8           under this part and parts A, F, and G; and

9           “(B) disclose data in such registries to  
10          such State agencies,

11          to the extent, and with the frequency, that the Sec-  
12          retary determines to be effective in assisting such  
13          States to carry out their responsibilities under such  
14          programs.

15          “(k) FEES.—

16               “(1) FOR SSA VERIFICATION.—The Secretary  
17          shall reimburse the Commissioner of Social Security,  
18          at a rate negotiated between the Secretary and the  
19          Commissioner, the costs incurred by the Commis-  
20          sioner in performing the verification services speci-  
21          fied in subsection (j).

22               “(2) FOR INFORMATION FROM SESAS.—The  
23          Secretary shall reimburse costs incurred by State  
24          employment security agencies in furnishing data as  
25          required by subsection (j)(3), at rates which the Sec-

1       retary determines to be reasonable (which rates shall  
2       not include payment for the costs of obtaining, com-  
3       piling, or maintaining such data).

4           “(3) FOR INFORMATION FURNISHED TO STATE  
5       AND FEDERAL AGENCIES.—State and Federal agen-  
6       cies receiving data or information from the Secretary  
7       pursuant to this section shall reimburse the costs in-  
8       curred by the Secretary in furnishing such data or  
9       information, at rates which the Secretary determines  
10      to be reasonable (which rates shall include payment  
11      for the costs of obtaining, verifying, maintaining,  
12      and matching such data or information).

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

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

22       “(n) INFORMATION INTEGRITY AND SECURITY.—The  
23      Secretary shall establish and implement safeguards with  
24      respect to the entities established under this section de-  
25      signed to—

1           “(1) ensure the accuracy and completeness of  
2 information in the Federal Parent Locator Service;  
3 and

4           “(2) restrict access to confidential information  
5 in the Federal Parent Locator Service to authorized  
6 persons, and restrict use of such information to au-  
7 thORIZED purposes.

8           “(o) LIMIT ON LIABILITY.—The Secretary shall not  
9 be liable to either a State or an individual for inaccurate  
10 information provided to a component of the Federal Par-  
11 ent Locator Service section and disclosed by the Secretary  
12 in accordance with this section.”.

13           (g) CONFORMING AMENDMENTS.—

14           (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
15 CURITY ACT.—Section 454(8)(B) (42 U.S.C.  
16 654(8)(B)) is amended to read as follows:

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

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

22           (A) by striking “Secretary of Health, Edu-  
23 cation, and Welfare” each place such term ap-  
24 pears and inserting “Secretary of Health and  
25 Human Services”;

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

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

8 (D) by redesignating subparagraph (B) as  
9 subparagraph (C); and

10 (E) by inserting after subparagraph (A)  
11 the following new subparagraph:

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

20 (3) TO STATE GRANT PROGRAM UNDER TITLE  
21 III OF THE SOCIAL SECURITY ACT.—Section 303(a)  
22 (42 U.S.C. 503(a)) is amended—

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

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

3 (C) by adding after paragraph (9) the fol-  
4 lowing new paragraph:

5 “(10) The making of quarterly electronic re-  
6 ports, at such dates, in such format, and containing  
7 such information, as required by the Secretary of  
8 Health and Human Services under section 453(i)(3),  
9 and compliance with such provisions as such Sec-  
10 retary may find necessary to ensure the correctness  
11 and verification of such reports.”.

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

13 (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
14 U.S.C. 666(a)), as amended by section 101(a) of this Act,  
15 is amended by adding at the end the following new para-  
16 graph:

17 “(13) SOCIAL SECURITY NUMBERS RE-  
18 QUIRED.—Procedures requiring the recording of so-  
19 cial security numbers—

20 “(A) of both parties on marriage licenses  
21 and divorce decrees; and

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

24 (b) CLARIFICATION OF FEDERAL POLICY.—Section  
25 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended

1 by striking the third sentence and inserting “This clause  
2 shall not be considered to authorize disclosure of such  
3 numbers except as provided in the preceding sentence.”.

4           **Subtitle D—Streamlining and**  
5           **Uniformity of Procedures**

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

7           Section 466(a) (42 U.S.C. 666(a)), as amended by  
8 sections 101(a) and 128(a) of this Act, is amended by add-  
9 ing at the end the following new paragraph:

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

18                   “(B) EXPANDED APPLICATION OF UIFSA.—The  
19           State law adopted pursuant to subparagraph (A)  
20           shall be applied to any case—

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

24                           “(ii) in which interstate activity is required  
25                           to enforce an order.

1           “(C) JURISDICTION TO MODIFY ORDERS.—The  
2 State law adopted pursuant to subparagraph (A) of  
3 this paragraph shall contain the following provision  
4 in lieu of section 611(a)(1) of the Uniform Inter-  
5 state Family Support Act described in such subpara-  
6 graph (A):

7           “(1) the following requirements are met:

8           “(i) the child, the individual obligee, and  
9 the obligor—

10           “(I) do not reside in the issuing  
11 State; and

12           “(II) either reside in this State or  
13 are subject to the jurisdiction of this State  
14 pursuant to section 201; and

15           “(ii) (in any case where another State is  
16 exercising or seeks to exercise jurisdiction to  
17 modify the order) the conditions of section 204  
18 are met to the same extent as required for pro-  
19 ceedings to establish orders; or’.

20           “(D) SERVICE OF PROCESS.—The State law  
21 adopted pursuant to subparagraph (A) shall recog-  
22 nize as valid, for purposes of any proceeding subject  
23 to such State law, service of process upon persons  
24 in the State (and proof of such service) by any

1 means acceptable in another State which is the initi-  
2 ating or responding State in such proceeding.

3 “(E) COOPERATION BY EMPLOYERS.—The  
4 State law adopted pursuant to subparagraph (A)  
5 shall provide for the use of procedures (including  
6 sanctions for noncompliance) under which all entities  
7 in the State (including for-profit, nonprofit, and gov-  
8 ernmental employers) are required to provide  
9 promptly, in response to a request by the State  
10 agency of that or any other State administering a  
11 program under this part, information on the employ-  
12 ment, compensation, and benefits of any individual  
13 employed by such entity as an employee or contrac-  
14 tor.”.

15 **SEC. 132. IMPROVEMENTS TO FULL FAITH AND CREDIT**  
16 **FOR CHILD SUPPORT ORDERS.**

17 Section 1738B of title 28, United States Code, is  
18 amended—

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

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

23 “‘child’s home State’ means the State in which  
24 a child lived with a parent or a person acting as par-  
25 ent for at least six consecutive months immediately

1 preceding the time of filing of a petition or com-  
2 parable pleading for support and, if a child is less  
3 than six months old, the State in which the child  
4 lived from birth with any of them. A period of tem-  
5 porary absence of any of them is counted as part  
6 of the six-month period.”;

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

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

11 (5) in subsection (d)—

12 (A) by inserting “individual” before “con-  
13 testant”; and

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

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

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

22 (8) in subsection (e)(2)—

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

1 (B) by striking “to that court’s making the  
2 modification and assuming” and inserting “with  
3 the State of continuing, exclusive jurisdiction  
4 for a court of another State to modify the order  
5 and assume”;

6 (9) by redesignating subsections (f) and (g) as  
7 subsections (g) and (h), respectively;

8 (10) by inserting after subsection (e) the follow-  
9 ing:

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

16 “(1) If only one court has issued a child sup-  
17 port order, the order of that court must be recog-  
18 nized.

19 “(2) If two or more courts have issued child  
20 support orders for the same obligor and child, and  
21 only one of the courts would have continuing, exclu-  
22 sive jurisdiction under this section, the order of that  
23 court must be recognized.

24 “(3) If two or more courts have issued child  
25 support orders for the same obligor and child, and

1       only one of the courts would have continuing, exclu-  
2       sive jurisdiction under this section, an order issued  
3       by a court in the current home State of the child  
4       must be recognized, but if an order has not been is-  
5       sued in the current home State of the child, the  
6       order most recently issued must be recognized.

7               “(4) If two or more courts have issued child  
8       support orders for the same obligor and child, and  
9       none of the courts would have continuing, exclusive  
10      jurisdiction under this section, a court may issue a  
11      child support order, which must be recognized.

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

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

16                  (A) by striking “PRIOR” and inserting  
17                  “MODIFIED”; and

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

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

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

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

1 (13) by adding at the end the following:

2 “(i) REGISTRATION FOR MODIFICATION.—If there is  
3 no individual contestant or child residing in the issuing  
4 State, the party or support enforcement agency seeking  
5 to modify, or to modify and enforce, a child support order  
6 issued in another State shall register that order in a State  
7 with jurisdiction over the nonmovant for the purpose of  
8 modification.”.

9 **SEC. 133. STATE LAWS PROVIDING EXPEDITED PROCE-**  
10 **DURES.**

11 (a) STATE LAW REQUIREMENTS.—Section 466 (42  
12 U.S.C. 666) is amended—

13 (1) in subsection (a)(2), in the first sentence, to  
14 read as follows: “Expedited administrative and judi-  
15 cial procedures (including the procedures specified in  
16 subsection (c)) for establishing paternity and for es-  
17 tablishing, modifying, and enforcing support obliga-  
18 tions.”; and

19 (2) by adding after subsection (b) the following  
20 new subsection:

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

23 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-  
24 CY.—Procedures which give the State agency the au-  
25 thority (and recognize and enforce the authority of

1 State agencies of other States), without the necessity  
2 of obtaining an order from any other judicial or ad-  
3 ministrative tribunal (but subject to due process  
4 safeguards, including (as appropriate) requirements  
5 for notice, opportunity to contest the action, and op-  
6 portunity for an appeal on the record to an inde-  
7 pendent administrative or judicial tribunal), to take  
8 the following actions relating to establishment or en-  
9 forcement of orders:

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

13 “(B) DEFAULT ORDERS.—To enter a de-  
14 fault order, upon a showing of service of proc-  
15 ess and any additional showing required by  
16 State law—

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

20 “(ii) establishing or modifying a sup-  
21 port obligation, in the case of a parent (or  
22 other obligor or obligee) who fails to re-  
23 spond to notice to appear at a proceeding  
24 for such purpose.

1           “(C) SUBPOENAS.—To subpoena any fi-  
2 nancial or other information needed to estab-  
3 lish, modify, or enforce an order, and to sanc-  
4 tion failure to respond to any such subpoena.

5           “(D) ACCESS TO PERSONAL AND FINAN-  
6 CIAL INFORMATION.—To obtain access, subject  
7 to safeguards on privacy and information secu-  
8 rity, to the following records (including auto-  
9 mated access, in the case of records maintained  
10 in automated data bases):

11           “(i) records of other State and local  
12 government agencies, including—

13           “(I) vital statistics (including  
14 records of marriage, birth, and di-  
15 vorce);

16           “(II) State and local tax and rev-  
17 enue records (including information  
18 on residence address, employer, in-  
19 come and assets);

20           “(III) records concerning real  
21 and titled personal property;

22           “(IV) records of occupational and  
23 professional licenses, and records con-  
24 cerning the ownership and control of

1 corporations, partnerships, and other  
2 business entities;

3 “(V) employment security  
4 records;

5 “(VI) records of agencies admin-  
6 istering public assistance programs;

7 “(VII) records of the motor vehi-  
8 cle department; and

9 “(VIII) corrections records; and

10 “(ii) certain records held by private  
11 entities, including—

12 “(I) customer records of public  
13 utilities and cable television compa-  
14 nies; and

15 “(II) information (including in-  
16 formation on assets and liabilities) on  
17 individuals who owe or are owed sup-  
18 port (or against or with respect to  
19 whom a support obligation is sought)  
20 held by financial institutions (subject  
21 to limitations on liability of such enti-  
22 ties arising from affording such ac-  
23 cess).

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

4           “(F) CHANGE IN PAYEE.—(In cases where  
5 support is subject to an assignment under sec-  
6 tion 402(a)(26), 471(a)(17), or 1912, or to a  
7 requirement to pay through the centralized col-  
8 lections unit under section 454B) upon provid-  
9 ing notice to obligor and obligee, to direct the  
10 obligor or other payor to change the payee to  
11 the appropriate government entity.

12           “(G) SECURE ASSETS TO SATISFY ARREAR-  
13 AGES.—For the purpose of securing overdue  
14 support—

15           “(i) to intercept and seize any peri-  
16 odic or lump-sum payment to the obligor  
17 by or through a State or local government  
18 agency, including—

19           “(I) unemployment compensa-  
20 tion, workers’ compensation, and  
21 other benefits;

22           “(II) judgments and settlements  
23 in cases under the jurisdiction of the  
24 State or local government; and

25           “(III) lottery winnings;

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

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

6           “(iv) to impose liens in accordance  
7           with paragraph (a)(4) and, in appropriate  
8           cases, to force sale of property and dis-  
9           tribution of proceeds.

10          “(H) INCREASE MONTHLY PAYMENTS.—  
11          For the purpose of securing overdue support, to  
12          increase the amount of monthly support pay-  
13          ments to include amounts for arrearages (sub-  
14          ject to such conditions or restrictions as the  
15          State may provide).

16          “(I) SUSPENSION OF DRIVERS’ LI-  
17          CENSES.—To suspend drivers’ licenses of indi-  
18          viduals owing past-due support, in accordance  
19          with subsection (a)(16).

20          “(2) SUBSTANTIVE AND PROCEDURAL RULES.—  
21          The expedited procedures required under subsection  
22          (a)(2) shall include the following rules and author-  
23          ity, applicable with respect to all proceedings to es-  
24          tablish paternity or to establish, modify, or enforce  
25          support orders:

1           “(A) LOCATOR INFORMATION; PRESUMP-  
2           TIONS    CONCERNING    NOTICE.—Procedures  
3           under which—

4                   “(i) the parties to any paternity or  
5                   child support proceedings are required  
6                   (subject to privacy safeguards) to file with  
7                   the tribunal before entry of an order, and  
8                   to update as appropriate, information on  
9                   location and identity (including Social Se-  
10                  curity number, residential and mailing ad-  
11                  dresses, telephone number, driver’s license  
12                  number, and name, address, and telephone  
13                  number of employer); and

14                  “(ii) in any subsequent child support  
15                  enforcement action between the same par-  
16                  ties, the tribunal shall be authorized, upon  
17                  sufficient showing that diligent effort has  
18                  been made to ascertain such party’s cur-  
19                  rent location, to deem due process require-  
20                  ments for notice and service of process to  
21                  be met, with respect to such party, by de-  
22                  livery to the most recent residential or em-  
23                  ployer address so filed pursuant to clause  
24                  (i).

1           “(B) STATEWIDE JURISDICTION.—Proce-  
2           dures under which—

3                   “(i) the State agency and any admin-  
4                   istrative or judicial tribunal with authority  
5                   to hear child support and paternity cases  
6                   exerts statewide jurisdiction over the par-  
7                   ties, and orders issued in such cases have  
8                   statewide effect; and

9                   “(ii) (in the case of a State in which  
10                   orders in such cases are issued by local ju-  
11                   risdictions) a case may be transferred be-  
12                   tween jurisdictions in the State without  
13                   need for any additional filing by the peti-  
14                   tioner, or service of process upon the re-  
15                   spondent, to retain jurisdiction over the  
16                   parties.”.

17           (c) EXCEPTIONS FROM STATE LAW REQUIRE-  
18           MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-  
19           ed—

20                   (1) by striking “(d) If” and inserting the fol-  
21                   lowing:

22                   “(d) EXEMPTIONS FROM REQUIREMENTS.—

23                   “(1) IN GENERAL.—Subject to paragraph (2),  
24                   if”; and

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

3           “(2) NONEXEMPT REQUIREMENTS.—The Sec-  
4 retary shall not grant an exemption from the re-  
5 quirements of—

6                   “(A) subsection (a)(5) (concerning proce-  
7 dures for paternity establishment);

8                   “(B) subsection (a)(10) (concerning modi-  
9 fication of orders);

10                   “(C) subsection (a)(12) (concerning re-  
11 cording of orders in the central State case reg-  
12 istry);

13                   “(D) subsection (a)(13) (concerning re-  
14 cording of Social Security numbers);

15                   “(E) subsection (a)(14) (concerning inter-  
16 state enforcement); or

17                   “(F) subsection (c) (concerning expedited  
18 procedures), other than paragraph (1)(A) there-  
19 of (concerning establishment or modification of  
20 support amount).”.

21           (d) AUTOMATION OF STATE AGENCY FUNCTIONS.—  
22 Section 454A, as added by section 115(a)(2) of this Act  
23 and as amended by sections 121 and 122(c) of this Act,  
24 is amended by adding at the end the following new sub-  
25 section:

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

## 6                               **Subtitle E—Paternity** 7                               **Establishment**

8 **SEC. 141. STATE LAWS CONCERNING PATERNITY ESTAB-**  
9                               **LISHMENT.**

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

12               (1) by striking “(5)” and inserting the follow-  
13       ing:

14               “(5) PROCEDURES CONCERNING PATERNITY ES-  
15       TABLISHMENT.—”;

16               (2) in subparagraph (A)—

17                       (A) by striking “(A)(i)” and inserting the  
18       following:

19                       “(A) ESTABLISHMENT PROCESS AVAIL-  
20       ABLE FROM BIRTH UNTIL AGE EIGHTEEN.—  
21       (i)”;

22                       (B) by indenting clauses (i) and (ii) so  
23       that the left margin of such clauses is 2 ems to  
24       the right of the left margin of paragraph (4);

25               (3) in subparagraph (B)—

1 (A) by striking “(B)” and inserting the  
2 following:

3 “(B) PROCEDURES CONCERNING GENETIC  
4 TESTING.—(i)”;

5 (B) in clause (i), as redesignated, by in-  
6 serting before the period “, where such request  
7 is supported by a sworn statement (I) by such  
8 party alleging paternity setting forth facts es-  
9 tablishing a reasonable possibility of the req-  
10 uisite sexual contact of the parties, or (II) by  
11 such party denying paternity setting forth facts  
12 establishing a reasonable possibility of the  
13 nonexistence of sexual contact of the parties;”;

14 (C) by inserting after and below clause (i)  
15 (as redesignated) the following new clause:

16 “(ii) Procedures which require the State  
17 agency, in any case in which such agency orders  
18 genetic testing—

19 “(I) to pay costs of such tests, subject  
20 to recoupment (where the State so elects)  
21 from the putative father if paternity is es-  
22 tablished; and

23 “(II) to obtain additional testing in  
24 any case where an original test result is

1           disputed, upon request and advance pay-  
2           ment by the disputing party.”;

3           (4) by striking subparagraphs (C) and (D) and  
4           inserting the following:

5           “(C) PATERNITY ACKNOWLEDGMENT.—(i)  
6           Procedures for a simple civil process for volun-  
7           tarily acknowledging paternity under which the  
8           State must provide that, before a mother and a  
9           putative father can sign an acknowledgment of  
10          paternity, the putative father and the mother  
11          must be given notice, orally, in writing, and in  
12          a language that each can understand, of the al-  
13          ternatives to, the legal consequences of, and the  
14          rights (including, if 1 parent is a minor, any  
15          rights afforded due to minority status) and re-  
16          sponsibilities that arise from, signing the ac-  
17          knowledgment.

18          “(ii) Such procedures must include a hos-  
19          pital-based program for the voluntary acknowl-  
20          edgment of paternity focusing on the period im-  
21          mediately before or after the birth of a child.

22          “(iii) Such procedures must require the  
23          State agency responsible for maintaining birth  
24          records to offer voluntary paternity establish-  
25          ment services.

1           “(iv) The Secretary shall prescribe regula-  
2           tions governing voluntary paternity establish-  
3           ment services offered by hospitals and birth  
4           record agencies. The Secretary shall prescribe  
5           regulations specifying the types of other entities  
6           that may offer voluntary paternity establish-  
7           ment services, and governing the provision of  
8           such services, which shall include a requirement  
9           that such an entity must use the same notice  
10          provisions used by, the same materials used by,  
11          provide the personnel providing such services  
12          with the same training provided by, and evalu-  
13          ate the provision of such services in the same  
14          manner as, voluntary paternity establishment  
15          programs of hospitals and birth record agen-  
16          cies.

17          “(v) Such procedures must require the  
18          State and those required to establish paternity  
19          to use only the affidavit developed under section  
20          452(a)(7) for the voluntary acknowledgment of  
21          paternity, and to give full faith and credit to  
22          such an affidavit signed in any other State.

23          “(D) STATUS OF SIGNED PATERNITY AC-  
24          KNOWLEDGMENT.—(i) Procedures under which  
25          a signed acknowledgment of paternity is consid-

1           ered a legal finding of paternity, subject to the  
2           right of any signatory to rescind the acknowl-  
3           edgment within 60 days.

4           “(ii)(I) Procedures under which, after the  
5           60-day period referred to in clause (i), a signed  
6           acknowledgment of paternity may be challenged  
7           in court only on the basis of fraud, duress, or  
8           material mistake of fact, with the burden of  
9           proof upon the challenger, and under which the  
10          legal responsibilities (including child support  
11          obligations) of any signatory arising from the  
12          acknowledgment may not be suspended during  
13          the challenge, except for good cause shown.

14          “(II) Procedures under which, after the  
15          60-day period referred to in clause (i), a minor  
16          who signs an acknowledgment of paternity  
17          other than in the presence of a parent or court-  
18          appointed guardian ad litem may rescind the  
19          acknowledgment in a judicial or administrative  
20          proceeding, until the earlier of—

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

22                  “(bb) the date of the first judicial or  
23                  administrative proceeding brought (after  
24                  the signing) to establish a child support  
25                  obligation, visitation rights, or custody

1 rights with respect to the child whose pa-  
2 ternity is the subject of the acknowledg-  
3 ment, and at which the minor is rep-  
4 resented by a parent, guardian ad litem, or  
5 attorney.”;

6 (5) by striking subparagraph (E) and inserting  
7 the following:

8 “(E) BAR ON ACKNOWLEDGMENT RATIFI-  
9 CATION PROCEEDINGS.—Procedures under  
10 which no judicial or administrative proceedings  
11 are required or permitted to ratify an unchal-  
12 lenged acknowledgment of paternity.”;

13 (6) by striking subparagraph (F) and inserting  
14 the following:

15 “(F) ADMISSIBILITY OF GENETIC TESTING  
16 RESULTS.—Procedures—

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

21 “(I) of a type generally acknowl-  
22 edged, by accreditation bodies des-  
23 igned by the Secretary, as reliable  
24 evidence of paternity; and

1                   “(II) performed by a laboratory  
2                   approved by such an accreditation  
3                   body;

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

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

16                  (7) by adding after subparagraph (H) the  
17                  following new subparagraphs:

18                  “(I) NO RIGHT TO JURY TRIAL.—Proce-  
19                  dures providing that the parties to an action to  
20                  establish paternity are not entitled to jury trial.

21                  “(J) TEMPORARY SUPPORT ORDER BASED  
22                  ON PROBABLE PATERNITY IN CONTESTED  
23                  CASES.—Procedures which require that a tem-  
24                  porary order be issued, upon motion by a party,  
25                  requiring the provision of child support pending

1 an administrative or judicial determination of  
2 parentage, where there is clear and convincing  
3 evidence of paternity (on the basis of genetic  
4 tests or other evidence).

5 “(K) PROOF OF CERTAIN SUPPORT AND  
6 PATERNITY ESTABLISHMENT COSTS.—Proce-  
7 dures under which bills for pregnancy, child-  
8 birth, and genetic testing are admissible as evi-  
9 dence without requiring third-party foundation  
10 testimony, and shall constitute prima facie evi-  
11 dence of amounts incurred for such services and  
12 testing on behalf of the child.

13 “(L) WAIVER OF STATE DEBTS FOR CO-  
14 OPERATION.—At the option of the State, proce-  
15 dures under which the tribunal establishing pa-  
16 ternity and support has discretion to waive  
17 rights to all or part of amounts owed to the  
18 State (but not to the mother) for costs related  
19 to pregnancy, childbirth, and genetic testing  
20 and for public assistance paid to the family  
21 where the father cooperates or acknowledges  
22 paternity before or after genetic testing.

23 “(M) STANDING OF PUTATIVE FATHERS.—  
24 Procedures ensuring that the putative father

1           has a reasonable opportunity to initiate a pater-  
2           nity action.”.

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

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

12   **SEC. 142. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
13                           **LISHMENT.**

14           (a) STATE PLAN REQUIREMENT.—Section 454(23)  
15   (42 U.S.C. 654(23)) is amended by adding at the end the  
16   following new subparagraph:

17                           “(C) publicize the availability and encour-  
18                           age the use of procedures for voluntary estab-  
19                           lishment of paternity and child support through  
20                           a variety of means, which—

21   “(i) include distribution of written  
22   materials at health care facilities (includ-  
23   ing hospitals and clinics), and other loca-  
24   tions such as schools;

1           “(ii) may include pre-natal programs  
2           to educate expectant couples on individual  
3           and joint rights and responsibilities with  
4           respect to paternity (and may require all  
5           expectant recipients of assistance under  
6           part A to participate in such pre-natal pro-  
7           grams, as an element of cooperation with  
8           efforts to establish paternity and child sup-  
9           port);

10           “(iii) include, with respect to each  
11           child discharged from a hospital after birth  
12           for whom paternity or child support has  
13           not been established, reasonable follow-up  
14           efforts (including at least one contact of  
15           each parent whose whereabouts are known,  
16           except where there is reason to believe  
17           such follow-up efforts would put mother or  
18           child at risk), providing—

19                   “(I) in the case of a child for  
20                   whom paternity has not been estab-  
21                   lished, information on the benefits of  
22                   and procedures for establishing pater-  
23                   nity; and

24                   “(II) in the case of a child for  
25                   whom paternity has been established

1 but child support has not been estab-  
2 lished, information on the benefits of  
3 and procedures for establishing a  
4 child support order, and an applica-  
5 tion for child support services;”.

6 (b) ENHANCED FEDERAL MATCHING.—Section  
7 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

8 (1) by inserting “(i)” before “laboratory costs”,  
9 and

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

13 (c) EFFECTIVE DATES.—(1) The amendments made  
14 by subsection (a) shall become effective October 1, 1997.

15 (2) The amendments made by subsection (b) shall be  
16 effective with respect to calendar quarters beginning on  
17 and after October 1, 1996.

## 18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

### 20 **SEC. 151. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 21 **SION.**

22 (a) ESTABLISHMENT.—There is hereby established a  
23 commission to be known as the “National Child Support  
24 Guidelines Commission” (in this section referred to as the  
25 “Commission”).

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

6           (c) MEMBERSHIP.—

7           (1) NUMBER; APPOINTMENT.—

8           (A) IN GENERAL.—The Commission shall  
9 be composed of 12 individuals appointed jointly  
10 by the Secretary of Health and Human Services  
11 and the Congress, not later than January 15,  
12 1997, of which—

13           (i) 2 shall be appointed by the Chair-  
14 man of the Committee on Finance of the  
15 Senate, and 1 shall be appointed by the  
16 ranking minority member of the Commit-  
17 tee;

18           (ii) 2 shall be appointed by the Chair-  
19 man of the Committee on Ways and Means  
20 of the House of Representatives, and 1  
21 shall be appointed by the ranking minority  
22 member of the Committee; and

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

1 (B) QUALIFICATIONS OF MEMBERS.—

2 Members of the Commission shall have exper-  
3 tise and experience in the evaluation and devel-  
4 opment of child support guidelines. At least 1  
5 member shall represent advocacy groups for  
6 custodial parents, at least 1 member shall rep-  
7 resent advocacy groups for noncustodial par-  
8 ents, and at least 1 member shall be the direc-  
9 tor of a State program under part D of title  
10 IV of the Social Security Act.

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

15 (d) COMMISSION POWERS, COMPENSATION, ACCESS  
16 TO INFORMATION, AND SUPERVISION.—The first sentence  
17 of subparagraph (C), the first and third sentences of sub-  
18 paragraph (D), subparagraph (F) (except with respect to  
19 the conduct of medical studies), clauses (ii) and (iii) of  
20 subparagraph (G), and subparagraph (H) of section  
21 1886(e)(6) of the Social Security Act shall apply to the  
22 Commission in the same manner in which such provisions  
23 apply to the Prospective Payment Assessment Commis-  
24 sion.

1 (e) REPORT.—Not later than 2 years after the ap-  
2 pointment of members, the Commission shall submit to  
3 the President, the Committee on Ways and Means of the  
4 House of Representatives, and the Committee on Finance  
5 of the Senate, a recommended national child support  
6 guideline and a final assessment of issues relating to such  
7 a proposed national child support guideline.

8 (f) TERMINATION.—The Commission shall terminate  
9 6 months after the submission of the report described in  
10 subsection (e).

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

13 (a) IN GENERAL.—Section 466(a)(10) (42 U.S.C.  
14 666(a)(10)) is amended to read as follows:

15 “(10) PROCEDURES FOR MODIFICATION OF  
16 SUPPORT ORDERS.—

17 “(A)(i) Procedures under which—

18 “(I) every 3 years, at the request of  
19 either parent subject to a child support  
20 order, the State shall review and, as appro-  
21 priate, adjust the order in accordance with  
22 the guidelines established under section  
23 467(a) if the amount of the child support  
24 award under the order differs from the  
25 amount that would be awarded in accord-

1           ance with such guidelines, without a re-  
2           quirement for any other change in cir-  
3           cumstances; and

4           “(II) upon request at any time of ei-  
5           ther parent subject to a child support  
6           order, the State shall review and, as appro-  
7           priate, adjust the order in accordance with  
8           the guidelines established under section  
9           467(a) based on a substantial change in  
10          the circumstances of either such parent.

11          “(ii) Such procedures shall require both  
12          parents subject to a child support order to be  
13          notified of their rights and responsibilities pro-  
14          vided for under clause (i) at the time the order  
15          is issued and in the annual information ex-  
16          change form provided under subparagraph (B).

17          “(B) Procedures under which each child  
18          support order issued or modified in the State  
19          after the effective date of this subparagraph  
20          shall require the parents subject to the order to  
21          provide each other with a complete statement of  
22          their respective financial condition annually on  
23          a form which shall be established by the Sec-  
24          retary and provided by the State. The Secretary

1 shall establish regulations for the enforcement  
2 of such exchange of information.”.

3 **Subtitle G—Enforcement of**  
4 **Support Orders**

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

6 (a) CHANGED ORDER OF REFUND DISTRIBUTION  
7 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of  
8 the Internal Revenue Code of 1986 is amended—

9 (1) by striking “The amount” and inserting  
10 “(1) IN GENERAL.—The amount”;

11 (2) by striking “paid to the State. A reduction”  
12 and inserting “paid to the State.

13 “(2) PRIORITIES FOR OFFSET.—A reduction”;

14 (3) by striking “has been assigned” and insert-  
15 ing “has not been assigned”; and

16 (4) by striking “and shall be applied” and all  
17 that follows and inserting “and shall thereafter be  
18 applied to satisfy any past-due support that has  
19 been so assigned.”.

20 (b) ELIMINATION OF DISPARITIES IN TREATMENT  
21 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1)

22 Section 464(a) (42 U.S.C. 664(a)) is amended—

23 (A) by striking “(a)” and inserting “(a) OFF-  
24 SET AUTHORIZED.—”;

25 (B) in paragraph (1)—

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

4 (ii) in the second sentence, by striking “in  
5 accordance with section 457 (b)(4) or (d)(3)”  
6 and inserting “as provided in paragraph (2)”;

7 (C) in paragraph (2), to read as follows:

8 “(2) The State agency shall distribute amounts  
9 paid by the Secretary of the Treasury pursuant to  
10 paragraph (1)—

11 “(A) in accordance with section 457 (a)(4)  
12 or (d)(3), in the case of past-due support as-  
13 signed to a State pursuant to section  
14 402(a)(26) or section 471(a)(17); and

15 “(B) to or on behalf of the child to whom  
16 the support was owed, in the case of past-due  
17 support not so assigned.”;

18 (D) in paragraph (3)—

19 (i) by striking “or (2)” each place it ap-  
20 pears; and

21 (ii) in subparagraph (B), by striking  
22 “under paragraph (2)” and inserting “on ac-  
23 count of past-due support described in para-  
24 graph (2)(B)”.

1           (2) Section 464(b) (42 U.S.C. 664(b)) is  
2 amended—

3           (A) by striking “(b)(1)” and inserting “(b)  
4 REGULATIONS.—”; and

5           (B) by striking paragraph (2).

6           (3) Section 464(c) (42 U.S.C. 664(c)) is  
7 amended—

8           (A) by striking “(c)(1) Except as provided  
9 in paragraph (2), as” and inserting “(c) DEFINI-  
10 TION.—As”; and

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

12           (c) TREATMENT OF LUMP-SUM TAX REFUND  
13 UNDER AFDC.—

14           (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-  
15 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended  
16 by adding at the end the following: “but this para-  
17 graph shall not apply to income received by a family  
18 that is attributable to a child support obligation  
19 owed with respect to a member of the family and  
20 that is paid to the family from amounts withheld  
21 from a Federal income tax refund otherwise payable  
22 to the person owing such obligation, to the extent  
23 that such income is placed in a qualified asset ac-  
24 count (as defined in section 406(j)) the total

1 amounts in which, after such placement, does not  
2 exceed \$10,000;”.

3 (2) QUALIFIED ASSET ACCOUNT DEFINED.—  
4 Section 406 (42 U.S.C. 606), as amended by section  
5 102(g)(2) of this Act, is amended by adding at the  
6 end the following:

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

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

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

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

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

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

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

1 **SEC. 162. INTERNAL REVENUE SERVICE COLLECTION OF**  
2 **ARREARS.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE.—  
4 Section 6305(a) of the Internal Revenue Code of 1986 is  
5 amended—

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

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

10 (3) by striking the period at the end of para-  
11 graph (4) and inserting a comma;

12 (4) by adding after paragraph (4) the following  
13 new paragraph:

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

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

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

23 **SEC. 163. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
24 **ERAL EMPLOYEES.**

25 (a) CONSOLIDATION AND STREAMLINING OF AU-  
26 THORITIES.—

1           (1) Section 459 (42 U.S.C. 659) is amended in  
2 the caption by inserting “INCOME WITHHOLDING,”  
3 before “GARNISHMENT”.

4           (2) Section 459(a) (42 U.S.C. 659(a)) is  
5 amended—

6           (A) by striking “(a)” and inserting “(a)  
7 CONSENT TO SUPPORT ENFORCEMENT.—

8           (B) by striking “section 207” and insert-  
9 ing “section 207 of this Act and 38 U.S.C.  
10 5301”; and

11           (C) by striking all that follows “a private  
12 person,” and inserting “to withholding in ac-  
13 cordance with State law pursuant to subsections  
14 (a)(1) and (b) of section 466 and regulations of  
15 the Secretary thereunder, and to any other legal  
16 process brought, by a State agency administer-  
17 ing a program under this part or by an individ-  
18 ual obligee, to enforce the legal obligation of  
19 such individual to provide child support or ali-  
20 mony.”.

21           (3) Section 459(b) (42 U.S.C. 659(b)) is  
22 amended to read as follows:

23           “(b) CONSENT TO REQUIREMENTS APPLICABLE TO  
24 PRIVATE PERSON.— Except as otherwise provided herein,  
25 each entity specified in subsection (a) shall be subject,

1 with respect to notice to withhold income pursuant to sub-  
2 section (a)(1) or (b) of section 466, or to any other order  
3 or process to enforce support obligations against an indi-  
4 vidual (if such order or process contains or is accompanied  
5 by sufficient data to permit prompt identification of the  
6 individual and the moneys involved), to the same require-  
7 ments as would apply if such entity were a private per-  
8 son.”.

9 (4) Section 459(c) (42 U.S.C. 659(c)) is redese-  
10 igned and relocated as paragraph (2) of subsection  
11 (f), and is amended—

12 (A) by striking “responding to interroga-  
13 tories pursuant to requirements imposed by  
14 section 461(b)(3)” and inserting “taking ac-  
15 tions necessary to comply with the requirements  
16 of subsection (A) with regard to any individ-  
17 ual”; and

18 (B) by striking “any of his duties” and all  
19 that follows and inserting “such duties.”.

20 (5) Section 461 (42 U.S.C. 661) is amended by  
21 striking subsection (b), and section 459 (42 U.S.C.  
22 659) is amended by inserting after subsection (b)  
23 (as added by paragraph (3) of this subsection) the  
24 following:

1       “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE  
2 OR PROCESS.—(1) The head of each agency subject to the  
3 requirements of this section shall—

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

6           “(B) publish (i) in the appendix of such regula-  
7 tions, (ii) in each subsequent republication of such  
8 regulations, and (iii) annually in the Federal Reg-  
9 ister, the designation of such agent or agents, identi-  
10 fied by title of position, mailing address, and tele-  
11 phone number.”.

12           (6) Section 459 (42 U.S.C. 659) is amended by  
13 striking subsection (d) and by inserting after sub-  
14 section (c)(1) (as added by paragraph (5) of this  
15 subsection) the following:

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

22           “(A) as soon as possible (but not later than fif-  
23 teen days) thereafter, send written notice of such no-  
24 tice or service (together with a copy thereof) to such

1 individual at his duty station or last-known home  
2 address;

3 “(B) within 30 days (or such longer period as  
4 may be prescribed by applicable State law) after re-  
5 ceipt of a notice pursuant to subsection (a)(1) or (b)  
6 of section 466, comply with all applicable provisions  
7 of such section 466; and

8 “(C) within 30 days (or such longer period as  
9 may be prescribed by applicable State law) after ef-  
10 fective service of any other such order, process, or  
11 interrogatories, respond thereto.”

12 (7) Section 461 (42 U.S.C. 661) is amended by  
13 striking subsection (c), and section 459 (42 U.S.C.  
14 659) is amended by inserting after subsection (c) (as  
15 added by paragraph (5) and amended by paragraph  
16 (6) of this subsection) the following:

17 “(d) PRIORITY OF CLAIMS.—In the event that a gov-  
18 ernmental entity receives notice or is served with process,  
19 as provided in this section, concerning amounts owed by  
20 an individual to more than one person—

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

24 “(2) allocation of moneys due or payable to an  
25 individual among claimants under section 466(b)

1 shall be governed by the provisions of such section  
2 466(b) and regulations thereunder; and

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

10 (8) Section 459(e) (42 U.S.C. 659(e)) is  
11 amended by striking “(e)” and inserting the follow-  
12 ing:

13 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—”.

14 (9) Section 459(f) (42 U.S.C. 659(f)) is amend-  
15 ed by striking “(f)” and inserting the following:

16 “(f) RELIEF FROM LIABILITY.—(1)”.

17 (10) Section 461(a) (42 U.S.C. 661(a)) is re-  
18 designated and relocated as section 459(g), and is  
19 amended—

20 (A) by striking “(g)” and inserting the fol-  
21 lowing:

22 “(g) REGULATIONS.—”; and

23 (B) by striking “section 459” and insert-  
24 ing “this section”.

1           (11) Section 462 (42 U.S.C. 662) is amended  
2           by striking subsection (f), and section 459 (42  
3           U.S.C. 659) is amended by inserting the following  
4           after subsection (g) (as added by paragraph (10) of  
5           this subsection):

6           “(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to  
7           subsection (i), moneys paid or payable to an individual  
8           which are considered to be based upon remuneration for  
9           employment, for purposes of this section—

10           “(A) consist of—

11           “(i) compensation paid or payable for per-  
12           sonal services of such individual, whether such  
13           compensation is denominated as wages, salary,  
14           commission, bonus, pay, allowances, or other-  
15           wise (including severance pay, sick pay, and in-  
16           centive pay);

17           “(ii) periodic benefits (including a periodic  
18           benefit as defined in section 228(h)(3)) or other  
19           payments—

20           “(I) under the insurance system es-  
21           tablished by title II;

22           “(II) under any other system or fund  
23           established by the United States which  
24           provides for the payment of pensions, re-  
25           tirement or retired pay, annuities, depend-

1           ents’ or survivors’ benefits, or similar  
2           amounts payable on account of personal  
3           services performed by the individual or any  
4           other individual;

5           “(III) as compensation for death  
6           under any Federal program;

7           “(IV) under any Federal program es-  
8           tablished to provide ‘black lung’ benefits;  
9           or

10          “(V) by the Secretary of Veterans Af-  
11          fairs as pension, or as compensation for a  
12          service-connected disability or death (ex-  
13          cept any compensation paid by such Sec-  
14          retary to a former member of the Armed  
15          Forces who is in receipt of retired or re-  
16          tainer pay if such former member has  
17          waived a portion of his retired pay in order  
18          to receive such compensation); and

19          “(iii) worker’s compensation benefits paid  
20          under Federal or State law; but

21          “(B) do not include any payment—

22                  “(i) by way of reimbursement or otherwise,  
23                  to defray expenses incurred by such individual  
24                  in carrying out duties associated with his em-  
25                  ployment; or

1           “(ii) as allowances for members of the uni-  
2           formed services payable pursuant to chapter 7  
3           of title 37, United States Code, as prescribed  
4           by the Secretaries concerned (defined by section  
5           101(5) of such title) as necessary for the effi-  
6           cient performance of duty.”.

7           (12) Section 462(g) (42 U.S.C. 662(g)) is re-  
8           designated and relocated as section 459(i) (42  
9           U.S.C. 659(i)).

10          (13)(A) Section 462 (42 U.S.C. 662) is amend-  
11          ed—

12                 (i) in subsection (e)(1), by redesignating  
13                 subparagraphs (A), (B), and (C) as clauses (i),  
14                 (ii), and (iii); and

15                 (ii) in subsection (e), by redesignating  
16                 paragraphs (1) and (2) as subparagraphs (A)  
17                 and (B).

18          (B) Section 459 (42 U.S.C. 659) is amended by  
19          adding at the end the following:

20          “(j) DEFINITIONS.—For purposes of this sec-  
21          tion—”.

22          (C) Subsections (a) through (e) of section 462  
23          (42 U.S.C. 662), as amended by subparagraph (A)  
24          of this paragraph, are relocated and redesignated as  
25          paragraphs (1) through (4), respectively of section

1 459(j) (as added by subparagraph (B) of this para-  
2 graph, (42 U.S.C. 659(j)), and the left margin of  
3 each of such paragraphs (1) through (4) is indented  
4 2 ems to the right of the left margin of subsection  
5 (i) (as added by paragraph (12) of this subsection).

6 (b) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV.—Sections 461 and  
8 462 (42 U.S.C. 661), as amended by subsection (a)  
9 of this section, are repealed.

10 (2) TO TITLE 5, UNITED STATES CODE.—Sec-  
11 tion 5520a of title 5, United States Code, is amend-  
12 ed, in subsections (h)(2) and (i), by striking “sec-  
13 tions 459, 461, and 462 of the Social Security Act  
14 (42 U.S.C. 659, 661, and 662)” and inserting “sec-  
15 tion 459 of the Social Security Act (42 U.S.C.  
16 659)”.

17 (c) MILITARY RETIRED AND RETAINER PAY.—(1)  
18 DEFINITION OF COURT.—Section 1408(a)(1) of title 10,  
19 United States Code, is amended—

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

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

24 (C) by adding after subparagraph (C) the fol-  
25 lowing new paragraph:

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

6           (2) DEFINITION OF COURT ORDER.—Section  
7           1408(a)(2) of such title is amended by inserting “or a  
8           court order for the payment of child support not included  
9           in or accompanied by such a decree or settlement,” before  
10          “which—”.

11          (3) PUBLIC PAYEE.—Section 1408(d) of such title is  
12          amended—

13                 (A) in the heading, by striking “to spouse” and  
14                 inserting “to (or for benefit of)”; and

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

23          (4) RELATIONSHIP TO PART D OF TITLE IV.—Sec-  
24          tion 1408 of such title is amended by adding at the end  
25          the following new subsection:

1       “(j) RELATIONSHIP TO OTHER LAWS.—In any case  
2 involving a child support order against a member who has  
3 never been married to the other parent of the child, the  
4 provisions of this section shall not apply, and the case  
5 shall be subject to the provisions of section 459 of the  
6 Social Security Act.”.

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

10 **SEC. 164. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**  
11 **TIONS OF MEMBERS OF THE ARMED FORCES.**

12       (a) AVAILABILITY OF LOCATOR INFORMATION.—

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

21           (2) TYPE OF ADDRESS.—

22           (A) RESIDENTIAL ADDRESS.—Except as  
23 provided in subparagraph (B), the address for  
24 a member of the Armed Forces shown in the lo-

1            locator service shall be the residential address of  
2            that member.

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

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

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

15            (3) UPDATING OF LOCATOR INFORMATION.—  
16            Within 30 days after a member listed in the locator  
17            service establishes a new residential address (or a  
18            new duty address, in the case of a member covered  
19            by paragraph (2)(B)), the Secretary concerned shall  
20            update the locator service to indicate the new ad-  
21            dress of the member.

22            (4) AVAILABILITY OF INFORMATION.—The Sec-  
23            retary of Defense shall make information regarding  
24            the address of a member of the Armed Forces listed

1 in the locator service available, on request, to the  
2 Federal Parent Locator Service.

3 (b) FACILITATING GRANTING OF LEAVE FOR AT-  
4 TENDANCE AT HEARINGS.—

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

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

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

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

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

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

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

6 (3) DEFINITIONS.—For purposes of this sub-  
7 section:

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

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

14 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
15 PLIANCE WITH CHILD SUPPORT ORDERS.—

16 (1) DATE OF CERTIFICATION OF COURT  
17 ORDER.—Section 1408 of title 10, United States  
18 Code, is amended—

19 (A) by redesignating subsection (i) as sub-  
20 section (j); and

21 (B) by inserting after subsection (h) the  
22 following new subsection (i):

23 “(i) CERTIFICATION DATE.—It is not necessary that  
24 the date of a certification of the authenticity or complete-  
25 ness of a copy of a court order or an order of an adminis-

1 trative process established under State law for child sup-  
2 port received by the Secretary concerned for the purposes  
3 of this section be recent in relation to the date of receipt  
4 by the Secretary.”.

5           (2) PAYMENTS CONSISTENT WITH ASSIGN-  
6 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)  
7 of such title is amended by inserting after the first  
8 sentence the following: “In the case of a spouse or  
9 former spouse who, pursuant to section 402(a)(26)  
10 of the Social Security Act (42 U.S.C. 602(26)), as-  
11 signs to a State the rights of the spouse or former  
12 spouse to receive support, the Secretary concerned  
13 may make the child support payments referred to in  
14 the preceding sentence to that State in amounts con-  
15 sistent with that assignment of rights.”.

16           (3) ARREARAGES OWED BY MEMBERS OF THE  
17 UNIFORMED SERVICES.—Section 1408(d) of such  
18 title is amended by adding at the end the following  
19 new paragraph:

20           “(6) In the case of a court order or an order of an  
21 administrative process established under State law for  
22 which effective service is made on the Secretary concerned  
23 on or after the date of the enactment of this paragraph  
24 and which provides for payments from the disposable re-  
25 tired pay of a member to satisfy the amount of child sup-

1 port set forth in the order, the authority provided in para-  
2 graph (1) to make payments from the disposable retired  
3 pay of a member to satisfy the amount of child support  
4 set forth in a court order or an order of an administrative  
5 process established under State law shall apply to payment  
6 of any amount of child support arrearages set forth in that  
7 order as well as to amounts of child support that currently  
8 become due.”.

9 **SEC. 165. MOTOR VEHICLE LIENS.**

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

12 (1) by striking “(4) Procedures” and inserting  
13 the following:

14 “(4) LIENS.—

15 “(A) IN GENERAL.—Procedures”; and

16 (2) by adding at the end the following new sub-  
17 paragraph:

18 “(B) MOTOR VEHICLE LIENS.—Procedures  
19 for placing liens for arrears of child support on  
20 motor vehicle titles of individuals owing such  
21 arrears equal to or exceeding two months of  
22 support, under which—

23 “(i) any person owed such arrears  
24 may place such a lien;

1           “(ii) the State agency administering  
2           the program under this part shall system-  
3           atically place such liens;

4           “(iii) expedited methods are provided  
5           for—

6                       “(I) ascertaining the amount of  
7                       arrears;

8                       “(II) affording the person owing  
9                       the arrears or other titleholder to con-  
10                      test the amount of arrears or to ob-  
11                      tain a release upon fulfilling the sup-  
12                      port obligation;

13                     “(iv) such a lien has precedence over  
14                     all other encumbrances on a vehicle title  
15                     other than a purchase money security in-  
16                     terest; and

17                     “(v) the individual or State agency  
18                     owed the arrears may execute on, seize,  
19                     and sell the property in accordance with  
20                     State law.”.

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

22           Section 466(a) (42 U.S.C. 666(a)), as amended by  
23           sections 101(a), 128(a), and 131 of this Act, is amended  
24           by adding at the end the following new paragraph:

1           “(15) FRAUDULENT TRANSFERS.—Procedures  
2 under which—

3           “(A) the State has in effect—

4           “(i) the Uniform Fraudulent Convey-  
5 ance Act of 1981,

6           “(ii) the Uniform Fraudulent Trans-  
7 fer Act of 1984, or

8           “(iii) another law, specifying indicia of  
9 fraud which create a prima facie case that  
10 a debtor transferred income or property to  
11 avoid payment to a child support creditor,  
12 which the Secretary finds affords com-  
13 parable rights to child support creditors;  
14 and

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

19           “(i) seek to void such transfer; or

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

22 **SEC. 167. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
23 **CENSES.**

24           Section 466(a) (42 U.S.C. 666(a)), as amended by  
25 sections 101(a), 128(a), 131, and 166 of this Act, is

1 amended by adding at the end the following new para-  
2 graph:

3           “(16) AUTHORITY TO WITHHOLD OR SUSPEND  
4 LICENSES.—Procedures under which the State has  
5 (and uses in appropriate cases) authority (subject to  
6 appropriate due process safeguards) to withhold or  
7 suspend, or to restrict the use of driver’s licenses,  
8 professional and occupational licenses, and rec-  
9 reational licenses of individuals owing overdue child  
10 support or failing, after receiving appropriate notice,  
11 to comply with subpoenas or warrants relating to  
12 paternity or child support proceedings.”.

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

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

16           “(7) REPORTING ARREARAGES TO CREDIT BU-  
17 REAUS.—(A) Procedures (subject to safeguards pur-  
18 suant to subparagraph (B)) requiring the State to  
19 report periodically to consumer reporting agencies  
20 (as defined in section 603(f) of the Fair Credit Re-  
21 porting Act (15 U.S.C. 1681a(f)) the name of any  
22 absent parent who is delinquent by 90 days or more  
23 in the payment of support, and the amount of over-  
24 due support owed by such parent.

1 “(B) Procedures ensuring that, in carrying out  
2 subparagraph (A), information with respect to an  
3 absent parent is reported—

4 “(i) only after such parent has been af-  
5 farded all due process required under State law,  
6 including notice and a reasonable opportunity  
7 to contest the accuracy of such information;  
8 and

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

12 **SEC. 169. EXTENDED STATUTE OF LIMITATION FOR COL-**  
13 **LECTION OF ARREARAGES.**

14 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.  
15 666(a)(9)) is amended—

16 (1) by striking “(9) Procedures” and inserting  
17 the following:

18 “(9) LEGAL TREATMENT OF ARREARS.—

19 “(A) FINALITY.—Procedures”;

20 (2) by redesignating subparagraphs (A), (B),  
21 and (C) as clauses (i), (ii), and (iii), respectively,  
22 and by indenting each of such clauses 2 additional  
23 ems to the right; and

1           (3) by adding after and below subparagraph  
2           (A), as redesignated, the following new subpara-  
3           graph:

4                   “(B) STATUTE OF LIMITATIONS.—Proce-  
5                   dures under which the statute of limitations on  
6                   any arrearages of child support extends at least  
7                   until the child owed such support is 30 years of  
8                   age.”.

9           (b) APPLICATION OF REQUIREMENT.—The amend-  
10          ment made by this section shall not be read to require  
11          any State law to revive any payment obligation which had  
12          lapsed prior to the effective date of such State law.

13       **SEC. 170. CHARGES FOR ARREARAGES.**

14          (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
15          U.S.C. 666(a)), as amended by sections 101(a), 128(a),  
16          131, 166, and 167 of this Act, is amended by adding at  
17          the end the following new paragraph:

18                   “(17) CHARGES FOR ARREARAGES.—Proce-  
19                   dures providing for the calculation and collection of  
20                   interest or penalties for arrearages of child support,  
21                   and for distribution of such interest or penalties col-  
22                   lected for the benefit of the child (except where the  
23                   right to support has been assigned to the State).”.

24          (b) REGULATIONS.—The Secretary of Health and  
25          Human Services shall establish by regulation a rule to re-

1 solve choice of law conflicts arising in the implementation  
2 of the amendment made by subsection (a).

3 (c) CONFORMING AMENDMENT.—Section 454(21)  
4 (42 U.S.C. 654(21)) is repealed.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall be effective with respect to arrearages  
7 accruing on or after October 1, 1998.

8 **SEC. 171. DENIAL OF PASSPORTS FOR NONPAYMENT OF**  
9 **CHILD SUPPORT.**

10 (a) HHS CERTIFICATION PROCEDURE.—

11 (1) SECRETARIAL RESPONSIBILITY.—Section  
12 452 (42 U.S.C. 652), as amended by sections  
13 115(a)(3) and 117 of this Act, is amended by adding  
14 at the end the following new subsection:

15 “(l) CERTIFICATIONS FOR PURPOSES OF PASSPORT  
16 RESTRICTIONS.—

17 “(1) IN GENERAL.—Where the Secretary re-  
18 ceives a certification by a State agency in accord-  
19 ance with the requirements of section 454(28) that  
20 an individual owes arrearages of child support in an  
21 amount exceeding \$5,000 or in an amount exceeding  
22 24 months’ worth of child support, the Secretary  
23 shall transmit such certification to the Secretary of  
24 State for action (with respect to denial, revocation,  
25 or limitation of passports) pursuant to section

1 171(b) of the Child Support Responsibility Act of  
2 1995.

3 “(2) LIMIT ON LIABILITY.—The Secretary shall  
4 not be liable to an individual for any action with re-  
5 spect to a certification by a State agency under this  
6 section.”.

7 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-  
8 tion 454 (42 U.S.C. 654), as amended by sections  
9 104(a), 114(b), and 122(a) of this Act, is amend-  
10 ed—

11 (A) by striking “and” at the end of para-  
12 graph (26);

13 (B) by striking the period at the end of  
14 paragraph (27) and inserting “; and”; and

15 (C) by adding after paragraph (27) the fol-  
16 lowing new paragraph:

17 “(28) provide that the State agency will have in  
18 effect a procedure (which may be combined with the  
19 procedure for tax refund offset under section 464)  
20 for certifying to the Secretary, for purposes of the  
21 procedure under section 452(l) (concerning denial of  
22 passports) determinations that individuals owe ar-  
23 rearages of child support in an amount exceeding  
24 \$5,000 or in an amount exceeding 24 months’ worth  
25 of child support, under which procedure—

1           “(A) each individual concerned is afforded  
2           notice of such determination and the con-  
3           sequences thereof, and an opportunity to con-  
4           test the determination; and

5           “(B) the certification by the State agency  
6           is furnished to the Secretary in such format,  
7           and accompanied by such supporting docu-  
8           mentation, as the Secretary may require.”.

9           (b) STATE DEPARTMENT PROCEDURE FOR DENIAL  
10          OF PASSPORTS.—

11           (1) IN GENERAL.—The Secretary of State,  
12           upon certification by the Secretary of Health and  
13           Human Services, in accordance with section 452(l)  
14           of the Social Security Act, that an individual owes  
15           arrearages of child support in excess of \$5,000, shall  
16           refuse to issue a passport to such individual, and  
17           may revoke, restrict, or limit a passport issued pre-  
18           viously to such individual.

19           (2) LIMIT ON LIABILITY.—The Secretary of  
20           State shall not be liable to an individual for any ac-  
21           tion with respect to a certification by a State agency  
22           under this section.

23           (c) EFFECTIVE DATE.—This section and the amend-  
24           ments made by this section shall become effective October  
25           1, 1996.

1 **SEC. 172. INTERNATIONAL CHILD SUPPORT ENFORCE-**  
2 **MENT.**

3 (a) SENSE OF THE CONGRESS THAT THE UNITED  
4 STATES SHOULD RATIFY THE UNITED NATIONS CON-  
5 VENTION OF 1956.—It is the sense of the Congress that  
6 the United States should ratify the United Nations Con-  
7 vention of 1956.

8 (b) TREATMENT OF INTERNATIONAL CHILD SUP-  
9 PORT CASES AS INTERSTATE CASES.—Section 454 (42  
10 U.S.C. 654), as amended by sections 104(a), 114(b),  
11 122(a), and 171(a)(2) of this Act, is amended—

12 (1) by striking “and” at the end of paragraph  
13 (27);

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

16 (3) by inserting after paragraph (28) the fol-  
17 lowing:

18 “(29) provide that the State must treat inter-  
19 national child support cases in the same manner as  
20 the State treats interstate child support cases.”.

21 **Subtitle H—Medical Support**

22 **SEC. 181. TECHNICAL CORRECTION TO ERISA DEFINITION**  
23 **OF MEDICAL CHILD SUPPORT ORDER.**

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

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

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

5           (3) by adding, after and below clause (ii), the  
6 following:

7           “if such judgment, decree, or order (I) is issued  
8 by a court of competent jurisdiction or (II) is  
9 issued by an administrative adjudicator and has  
10 the force and effect of law under applicable  
11 State law.”.

12       (b) EFFECTIVE DATE.—

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

16           (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
17 JANUARY 1, 1996.—Any amendment to a plan re-  
18 quired to be made by an amendment made by this  
19 section shall not be required to be made before the  
20 first plan year beginning on or after January 1,  
21 1996, if—

22           (A) during the period after the date before  
23 the date of the enactment of this Act and be-  
24 fore such first plan year, the plan is operated

1 in accordance with the requirements of the  
2 amendments made by this section, and

3 (B) such plan amendment applies retro-  
4 actively to the period after the date before the  
5 date of the enactment of this Act and before  
6 such first plan year.

7 A plan shall not be treated as failing to be operated  
8 in accordance with the provisions of the plan merely  
9 because it operates in accordance with this para-  
10 graph.

## 11 **Subtitle I—Effect of Enactment**

### 12 **SEC. 191. EFFECTIVE DATES.**

13 (a) IN GENERAL.—Except as otherwise specifically  
14 provided (but subject to subsections (b) and (c))—

15 (1) provisions of this title requiring enactment  
16 or amendment of State laws under section 466 of  
17 the Social Security Act, or revision of State plans  
18 under section 454 of such Act, shall be effective with  
19 respect to periods beginning on and after October 1,  
20 1996; and

21 (2) all other provisions of this title shall become  
22 effective upon enactment.

23 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The  
24 provisions of this title shall become effective with respect  
25 to a State on the later of—

1 (1) the date specified in this title, or

2 (2) the effective date of laws enacted by the leg-  
3 islature of such State implementing such provisions,  
4 but in no event later than the first day of the first cal-  
5 endar quarter beginning after the close of the first regular  
6 session of the State legislature that begins after the date  
7 of enactment of this Act. For purposes of the previous  
8 sentence, in the case of a State that has a 2-year legisla-  
9 tive session, each year of such session shall be deemed to  
10 be a separate regular session of the State legislature.

11 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL  
12 AMENDMENT.—A State shall not be found out of compli-  
13 ance with any requirement enacted by this title if it is  
14 unable to comply without amending the State constitution  
15 until the earlier of—

16 (1) the date one year after the effective date of  
17 the necessary State constitutional amendment, or

18 (2) the date five years after enactment of this  
19 title.

20 **SEC. 192. SEVERABILITY.**

21 If any provision of this title or the application thereof  
22 to any person or circumstance is held invalid, the invalid-  
23 ity shall not affect other provisions or applications of this  
24 title which can be given effect without regard to the invalid

- 1 provision or application, and to this end the provisions of
- 2 this title shall be severable.

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