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**Conference Report [Binder] [4]**

1                   **TITLE II—SUPPLEMENTAL**  
2                   **SECURITY INCOME**

3   **SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.**

4           Except as otherwise specifically provided, wherever in this  
5 title an amendment is expressed in terms of an amendment to  
6 or repeal of a section or other provision, the reference shall be  
7 considered to be made to that section or other provision of the  
8 Social Security Act.

9           **Subtitle A—Eligibility Restrictions**

10   **SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO IN-**  
11                   **DIVIDUALS FOUND TO HAVE FRAUDU-**  
12                   **LENTLY MISREPRESENTED RESIDENCE IN**  
13                   **ORDER TO OBTAIN BENEFITS SIMULTA-**  
14                   **NEOUSLY IN 2 OR MORE STATES.**

15           (a) **IN GENERAL.**—Section 1611(e) (42 U.S.C. 1382(e)),  
16 as amended by section 105(b)(4)(A) of the Contract with  
17 America Advancement Act of 1996, is amended by redesignat-  
18 ing paragraph (5) as paragraph (3) and by adding at the end  
19 the following new paragraph:

20           “(4)(A) No person shall be considered an eligible individ-  
21 ual or eligible spouse for purposes of this title during the 10-  
22 year period that begins on the date the person is convicted in  
23 Federal or State court of having made a fraudulent statement  
24 or representation with respect to the place of residence of the  
25 person in order to receive assistance simultaneously from 2 or  
26 more States under programs that are funded under title IV,  
27 title XIX, or the Food Stamp Act of 1977, or benefits in 2 or  
28 more States under the supplemental security income program  
29 under this title.

30           “(B) As soon as practicable after the conviction of a per-  
31 son in a Federal or State court as described in subparagraph  
32 (A), an official of such court shall notify the Commissioner of  
33 such conviction.”

34           (b) **EFFECTIVE DATE.**—The amendment made by this sec-  
35 tion shall take effect on the date of the enactment of this Act.

1 SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FEL-  
2 ONS AND PROBATION AND PAROLE VIOLA-  
3 TORS.

4 (a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)),  
5 as amended by section 201(a) of this Act, is amended by add-  
6 ing at the end the following new paragraph:

7 “(5) No person shall be considered an eligible individual  
8 or eligible spouse for purposes of this title with respect to any  
9 month if during such month the person is—

10 “(A) fleeing to avoid prosecution, or custody or con-  
11 finement after conviction, under the laws of the place from  
12 which the person flees, for a crime, or an attempt to com-  
13 mit a crime, which is a felony under the laws of the place  
14 from which the person flees, or which, in the case of the  
15 State of New Jersey, is a high misdemeanor under the laws  
16 of such State; or

17 “(B) violating a condition of probation or parole im-  
18 posed under Federal or State law.”

19 (b) EXCHANGE OF INFORMATION.—Section 1611(e) (42  
20 U.S.C. 1382(e)), as amended by section 201(a) of this Act and  
21 subsection (a) of this section, is amended by adding at the end  
22 the following new paragraph:

23 “(6) Notwithstanding any other provision of law (other  
24 than section 6103 of the Internal Revenue Code of 1986), the  
25 Commissioner shall furnish any Federal, State, or local law en-  
26 forcement officer, upon the written request of the officer, with  
27 the current address, Social Security number, and photograph  
28 (if applicable) of any recipient of benefits under this title, if the  
29 officer furnishes the Commissioner with the name of the recipi-  
30 ent, and other identifying information as reasonably required  
31 by the Commissioner to establish the unique identity of the re-  
32 cipient, and notifies the Commissioner that—

33 “(A) the recipient—

34 “(i) is described in subparagraph (A) or (B) of  
35 paragraph (5); and

36 “(ii) has information that is necessary for the offi-  
37 cer to conduct the officer’s official duties; and

1           “(B) the location or apprehension of the recipient is  
2           within the officer’s official duties.”.

3           (c) EFFECTIVE DATE.—The amendments made by this  
4           section shall take effect on the date of the enactment of this  
5           Act.

6           SEC. 203. TREATMENT OF PRISONERS.

7           (a) IMPLEMENTATION OF PROHIBITION AGAINST PAY-  
8           MENT OF BENEFITS TO PRISONERS.—

9           (1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C.  
10           1382(e)(1)) is amended by adding at the end the following  
11           new subparagraph:

12           “(I)(i) The Commissioner shall enter into an agreement,  
13           with any interested State or local institution described in clause  
14           (i) or (ii) of section 202(x)(1)(A) the primary purpose of which  
15           is to confine individuals as described in section 202(x)(1)(A),  
16           under which—

17           “(I) the institution shall provide to the Commissioner,  
18           on a monthly basis and in a manner specified by the Com-  
19           missioner, the names, social security account numbers,  
20           dates of birth, confinement commencement dates, and, to  
21           the extent available to the institution, such other identify-  
22           ing information concerning the inmates of the institution as  
23           the Commissioner may require for the purpose of carrying  
24           out paragraph (1); and

25           “(II) the Commissioner shall pay to any such institu-  
26           tion, with respect to each inmate of the institution who is  
27           eligible for a benefit under this title for the month preced-  
28           ing the first month throughout which such inmate is in  
29           such institution and becomes ineligible for such benefit as  
30           a result of the application of this subparagraph, \$400 if the  
31           institution furnishes the information described in subclause  
32           (I) to the Commissioner within 30 days after the date such  
33           individual becomes an inmate of such institution, or \$200  
34           if the institution furnishes such information after 30 days  
35           after such date but within 90 days after such date.

1           “(ii)(I) The provisions of section 552a of title 5, United  
2 States Code, shall not apply to any agreement entered into  
3 under clause (i) or to information exchanged pursuant to such  
4 agreement.

5           “(II) The Commissioner is authorized to provide, on a re-  
6 imburseable basis, information obtained pursuant to agreements  
7 entered into under clause (i) to any Federal or federally-as-  
8 sisted cash, food, or medical assistance program for eligibility  
9 purposes.

10           “(iii) Payments to institutions required by clause (i)(II)  
11 shall be made from funds otherwise available for the payment  
12 of benefits under this title and shall be treated as direct spend-  
13 ing for purposes of the Balanced Budget and Emergency Defi-  
14 cit Control Act of 1985.”.

15           (2) EFFECTIVE DATE.—The amendment made by this  
16 subsection shall apply to individuals whose period of con-  
17 finement in an institution commences on or after the first  
18 day of the seventh month beginning after the month in  
19 which this Act is enacted.

20           (b) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE  
21 COLLECTION OF INFORMATION RESPECTING PUBLIC IN-  
22 MATES.—

23           (1) STUDY.—The Commissioner of Social Security  
24 shall conduct a study of the desirability, feasibility, and  
25 cost of—

26           (A) establishing a system under which Federal,  
27 State, and local courts would furnish to the Commis-  
28 sioner such information respecting court orders by  
29 which individuals are confined in jails, prisons, or other  
30 public penal, correctional, or medical facilities as the  
31 Commissioner may require for the purpose of carrying  
32 out section 1611(e)(1) of the Social Security Act; and

33           (B) requiring that State and local jails, prisons,  
34 and other institutions that enter into agreements with  
35 the Commissioner under section 1611(e)(1)(I) of the  
36 Social Security Act furnish the information required by

1 such agreements to the Commissioner by means of an  
2 electronic or other sophisticated data exchange system.

3 (2) REPORT.—Not later than 1 year after the date of  
4 the enactment of this Act, the Commissioner of Social Se-  
5 curity shall submit a report on the results of the study con-  
6 ducted pursuant to this subsection to the Committee on Fi-  
7 nance of the Senate and the Committee on Ways and  
8 Means of the House of Representatives.

9 (c) ADDITIONAL REPORT TO CONGRESS.—Not later than  
10 October 1, 1998, the Commissioner of Social Security shall pro-  
11 vide to the Committee on Finance of the Senate and the Com-  
12 mittee on Ways and Means of the House of Representatives a  
13 list of the institutions that are and are not providing informa-  
14 tion to the Commissioner under section 1611(e)(1)(I) of the  
15 Social Security Act (as added by this section).

16 **SEC. 204. EFFECTIVE DATE OF APPLICATION FOR BENE-**  
17 **FITS.**

18 (a) IN GENERAL.—Subparagraphs (A) and (B) of section  
19 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as fol-  
20 lows:

21 “(A) the first day of the month following the date  
22 such application is filed, or

23 “(B) the first day of the month following the date  
24 such individual becomes eligible for such benefits with re-  
25 spect to such application.”.

26 (b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE  
27 PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A))  
28 is amended—

29 (1) by inserting “for the month following the date the  
30 application is filed” after “is presumptively eligible for such  
31 benefits”; and

32 (2) by inserting “, which shall be repaid through pro-  
33 portionate reductions in such benefits over a period of not  
34 more than 6 months” before the semicolon.

35 (c) CONFORMING AMENDMENTS.—

1 (1) Section 1614(b) (42 U.S.C. 1382c(b)) is amend-  
2 ed—

3 (A) by striking “or requests” and inserting “, on  
4 the first day of the month following the date the appli-  
5 cation is filed, or, in any case in which either spouse  
6 requests”; and

7 (B) by striking “application or”.

8 (2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is  
9 amended by inserting “following the month” after “begin-  
10 ning with the month”.

11 (d) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by this sec-  
13 tion shall apply to applications for benefits under title XVI  
14 of the Social Security Act filed on or after the date of the  
15 enactment of this Act, without regard to whether regula-  
16 tions have been issued to implement such amendments.

17 (2) BENEFITS UNDER TITLE XVI.—For purposes of  
18 this subsection, the term “benefits under title XVI of the  
19 Social Security Act” includes supplementary payments pur-  
20 suant to an agreement for Federal administration under  
21 section 1616(a) of the Social Security Act, and payments  
22 pursuant to an agreement entered into under section  
23 212(b) of Public Law 93-66.

## 24 Subtitle B—Benefits for Disabled 25 Children

### 26 SEC. 211. DEFINITION AND ELIGIBILITY RULES.

27 (a) DEFINITION OF CHILDHOOD DISABILITY.—Section  
28 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section  
29 105(b)(1) of the Contract with America Advancement Act of  
30 1996, is amended—

31 (1) in subparagraph (A), by striking “An individual”  
32 and inserting “Except as provided in subparagraph (C), an  
33 individual”;

34 (2) in subparagraph (A), by striking “(or, in the case  
35 of an individual under the age of 18, if he suffers from any

1 medically determinable physical or mental impairment of  
2 comparable severity”;

3 (3) by redesignating subparagraphs (C) through (I) as  
4 subparagraphs (D) through (J), respectively;

5 (4) by inserting after subparagraph (B) the following  
6 new subparagraph:

7 “(C)(i) An individual under the age of 18 shall be consid-  
8 ered disabled for the purposes of this title if that individual has  
9 a medically determinable physical or mental impairment, which  
10 results in marked and severe functional limitations, and which  
11 can be expected to result in death or which has lasted or can  
12 be expected to last for a continuous period of not less than 12  
13 months.

14 “(ii) Notwithstanding clause (i), no individual under the  
15 age of 18 who engages in substantial gainful activity (deter-  
16 mined in accordance with regulations prescribed pursuant to  
17 subparagraph (E)) may be considered to be disabled.”; and

18 (5) in subparagraph (F), as redesignated by para-  
19 graph (3), by striking “(D)” and inserting “(E)”.

20 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

21 (1) MODIFICATION TO MEDICAL CRITERIA FOR EVAL-  
22 UATION OF MENTAL AND EMOTIONAL DISORDERS.—The  
23 Commissioner of Social Security shall modify sections  
24 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart  
25 P of part 404 of title 20, Code of Federal Regulations, to  
26 eliminate references to maladaptive behavior in the domain  
27 of personal/behaviorial function.

28 (2) DISCONTINUANCE OF INDIVIDUALIZED FUNC-  
29 TIONAL ASSESSMENT.—The Commissioner of Social Secu-  
30 rity shall discontinue the individualized functional assess-  
31 ment for children set forth in sections 416.924d and  
32 416.924e of title 20, Code of Federal Regulations.

33 (c) MEDICAL IMPROVEMENT REVIEW STANDARD AS IT  
34 APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—Section  
35 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

1 (1) by redesignating subclauses (I) and (II) of clauses  
2 (i) and (ii) of subparagraph (B) as items (aa) and (bb), re-  
3 spectively;

4 (2) by redesignating clauses (i) and (ii) of subpara-  
5 graphs (A) and (B) as subclauses (I) and (II), respectively;

6 (3) by redesignating subparagraphs (A) through (C)  
7 as clauses (i) through (iii), respectively;

8 (4) by inserting before clause (i) (as redesignated by  
9 paragraph (3)) the following new subparagraph:

10 "(A) in the case of an individual who is age 18 or  
11 older—";

12 (5) by inserting after and below subparagraph (A)(iii)  
13 (as so redesignated) the following new subparagraph:

14 "(B) in the case of an individual who is under the age  
15 of 18—

16 "(i) substantial evidence which demonstrates that  
17 there has been medical improvement in the individual's  
18 impairment or combination of impairments, and that  
19 such impairment or combination of impairments no  
20 longer results in marked and severe functional limita-  
21 tions; or

22 "(ii) substantial evidence which demonstrates that,  
23 as determined on the basis of new or improved diag-  
24 nostic techniques or evaluations, the individual's im-  
25 pairment or combination of impairments, is not as dis-  
26 abling as it was considered to be at the time of the  
27 most recent prior decision that the individual was  
28 under a disability or continued to be under a disability,  
29 and such impairment or combination of impairments  
30 does not result in marked and severe functional limita-  
31 tions; or";

32 (6) by redesignating subparagraph (D) as subpara-  
33 graph (C) and by inserting in such subparagraph "in the  
34 case of any individual," before "substantial evidence"; and

35 (7) in the first sentence following subparagraph (C)  
36 (as redesignated by paragraph (6)), by—

1 (A) inserting "(i)" before "to restore"; and  
2 (B) inserting ", or (ii) in the case of an individual  
3 under the age of 18, to eliminate or improve the indi-  
4 vidual's impairment or combination of impairments so  
5 that it no longer results in marked and severe func-  
6 tional limitations" immediately before the period.

7 (d) EFFECTIVE DATES, ETC.—

8 (1) EFFECTIVE DATES.—

9 (A) SUBSECTIONS (a) AND (b).—

10 (i) IN GENERAL.—The provisions of, and  
11 amendments made by, subsections (a) and (b) of  
12 this section shall apply to any individual who ap-  
13 plies for, or whose claim is finally adjudicated with  
14 respect to, benefits under title XVI of the Social  
15 Security Act on or after the date of the enactment  
16 of this Act, without regard to whether regulations  
17 have been issued to implement such provisions and  
18 amendments.

19 (ii) DETERMINATION OF FINAL ADJUDICA-  
20 TION.—For purposes of clause (i), no individual's  
21 claim with respect to such benefits may be consid-  
22 ered to be finally adjudicated before such date of  
23 enactment if, on or after such date, there is pend-  
24 ing a request for either administrative or judicial  
25 review with respect to such claim that has been de-  
26 nied in whole, or there is pending, with respect to  
27 such claim, readjudication by the Commissioner of  
28 Social Security pursuant to relief in a class action  
29 or implementation by the Commissioner of a court  
30 remand order.

31 (B) SUBSECTION (c).—The amendments made by  
32 subsection (c) of this section shall apply with respect  
33 to benefits under title XVI of the Social Security Act  
34 for months beginning on or after the date of the enact-  
35 ment of this Act, without regard to whether regulations  
36 have been issued to implement such amendments.

1 (2) APPLICATION TO CURRENT RECIPIENTS.—

2 (A) ELIGIBILITY REDETERMINATIONS.—During  
3 the period beginning on the date of the enactment of  
4 this Act and ending on the date which is 1 year after  
5 such date of enactment, the Commissioner of Social Se-  
6 curity shall redetermine the eligibility of any individual  
7 under age 18 who is eligible for supplemental security  
8 income benefits by reason of disability under title XVI  
9 of the Social Security Act as of the date of the enact-  
10 ment of this Act and whose eligibility for such benefits  
11 may terminate by reason of the provisions of, or  
12 amendments made by, subsections (a) and (b) of this  
13 section. With respect to any redetermination under this  
14 subparagraph—

15 (i) section 1614(a)(4) of the Social Security  
16 Act (42 U.S.C. 1382c(a)(4)) shall not apply;

17 (ii) the Commissioner of Social Security shall  
18 apply the eligibility criteria for new applicants for  
19 benefits under title XVI of such Act;

20 (iii) the Commissioner shall give such redeter-  
21 mination priority over all continuing eligibility re-  
22 views and other reviews under such title; and

23 (iv) such redetermination shall be counted as  
24 a review or redetermination otherwise required to  
25 be made under section 208 of the Social Security  
26 Independence and Program Improvements Act of  
27 1994 or any other provision of title XVI of the So-  
28 cial Security Act.

29 (B) GRANDFATHER PROVISION.—The provisions  
30 of, and amendments made by, subsections (a) and (b)  
31 of this section, and the redetermination under subpara-  
32 graph (A), shall only apply with respect to the benefits  
33 of an individual described in subparagraph (A) for  
34 months beginning on or after the later of July 1, 1997,  
35 or the date of the redetermination with respect to such  
36 individual.

1 (C) NOTICE.—Not later than January 1, 1997,  
2 the Commissioner of Social Security shall notify an in-  
3 dividual described in subparagraph (A) of the provi-  
4 sions of this paragraph.

5 (3) REPORT.—The Commissioner of Social Security  
6 shall report to the Congress regarding the progress made  
7 in implementing the provisions of, and amendments made  
8 by, this section on child disability evaluations not later than  
9 180 days after the date of the enactment of this Act.

10 (4) REGULATIONS.—Notwithstanding any other provi-  
11 sion of law, the Commissioner of Social Security shall sub-  
12 mit for review to the committees of jurisdiction in the Con-  
13 gress any final regulation pertaining to the eligibility of in-  
14 dividuals under age 18 for benefits under title XVI of the  
15 Social Security Act at least 45 days before the effective  
16 date of such regulation. The submission under this para-  
17 graph shall include supporting documentation providing a  
18 cost analysis, workload impact, and projections as to how  
19 the regulation will effect the future number of recipients  
20 under such title.

21 (5) CAP ADJUSTMENT FOR SSI ADMINISTRATIVE WORK  
22 REQUIRED BY WELFARE REFORM.—

23 (A) AUTHORIZATION.—For the additional costs of  
24 continuing disability reviews and redeterminations  
25 under title XVI of the Social Security Act, there is  
26 hereby authorized to be appropriated to the Social Se-  
27 curity Administration, in addition to amounts author-  
28 ized under section 201(g)(1)(A) of the Social Security  
29 Act, \$150,000,000 in fiscal year 1997 and  
30 \$100,000,000 in fiscal year 1998.

31 (B) CAP ADJUSTMENT.—Section 251(b)(2)(H) of  
32 the Balanced Budget and Emergency Deficit Control  
33 Act of 1985, as amended by section 103(b) of the Con-  
34 tract with America Advancement Act of 1996, is  
35 amended—

36 (i) in clause (i)—

- 1 (I) in subclause (II) by—  
2 (aa) striking “\$25,000,000” and in-  
3 sserting “\$175,000,000”; and  
4 (bb) striking “\$160,000,000” and in-  
5 sserting “\$310,000,000”; and  
6 (II) in subclause (III) by—  
7 (aa) striking “\$145,000,000” and in-  
8 sserting “\$245,000,000”; and  
9 (bb) striking “\$370,000,000” and in-  
10 sserting “\$470,000,000”; and  
11 (ii) by amending clause (ii)(I) to read as fol-  
12 lows:

13 “(I) the term ‘continuing disability reviews’  
14 means reviews or redeterminations as defined  
15 under section 201(g)(1)(A) of the Social Security  
16 Act and reviews and redeterminations authorized  
17 under section 211 of the Personal Responsibility  
18 and Work Opportunity Reconciliation Act of  
19 1996;”.

20 (C) ADJUSTMENTS.—Section 606(e)(1)(B) of the  
21 Congressional Budget Act of 1974 is amended by add-  
22 ing at the end the following new sentences: “If the ad-  
23 justments referred to in the preceding sentence are  
24 made for an appropriations measure that is not enacted  
25 into law, then the Chairman of the Committee on the  
26 Budget of the House of Representatives shall, as soon  
27 as practicable, reverse those adjustments. The Chair-  
28 man of the Committee on the Budget of the House of  
29 Representatives shall submit any adjustments made  
30 under this subparagraph to the House of Representa-  
31 tives and have such adjustments published in the Con-  
32 gressional Record.”.

33 (D) CONFORMING AMENDMENT.—Section  
34 103(d)(1) of the Contract with America Advancement  
35 Act of 1996 (42 U.S.C. 401 note) is amended by strik-  
36 ing “medicaid programs.” and inserting “medicaid pro-

1           grams, except that the amounts appropriated pursuant  
2           to the authorization and discretionary spending allow-  
3           ance provisions in section 211(d)(2)(5) of the Personal  
4           Responsibility and Work Opportunity Reconciliation  
5           Act of 1996 shall be used only for continuing disability  
6           reviews and redeterminations under title XVI of the  
7           Social Security Act.”.

8           (6) BENEFITS UNDER TITLE XVI.—For purposes of  
9           this subsection, the term “benefits under title XVI of the  
10          Social Security Act” includes supplementary payments pur-  
11          suant to an agreement for Federal administration under  
12          section 1616(a) of the Social Security Act, and payments  
13          pursuant to an agreement entered into under section  
14          212(b) of Public Law 93–66.

15   SEC. 212. ELIGIBILITY REDETERMINATIONS AND CON-  
16   TINUING DISABILITY REVIEWS.

17          (a) CONTINUING DISABILITY REVIEWS RELATING TO CER-  
18   TAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.  
19   1382c(a)(3)(H)), as redesignated by section 211(a)(3) of this  
20   Act, is amended—

21           (1) by inserting “(i)” after “(H)”; and

22           (2) by adding at the end the following new clause:

23           “(ii)(I) Not less frequently than once every 3 years, the  
24          Commissioner shall review in accordance with paragraph (4)  
25          the continued eligibility for benefits under this title of each in-  
26          dividual who has not attained 18 years of age and is eligible  
27          for such benefits by reason of an impairment (or combination  
28          of impairments) which is likely to improve (or, at the option  
29          of the Commissioner, which is unlikely to improve).

30           “(II) A representative payee of a recipient whose case is  
31          reviewed under this clause shall present, at the time of review,  
32          evidence demonstrating that the recipient is, and has been, re-  
33          ceiving treatment, to the extent considered medically necessary  
34          and available, of the condition which was the basis for provid-  
35          ing benefits under this title.

1           “(III) If the representative payee refuses to comply with-  
2 out good cause with the requirements of subclause (II), the  
3 Commissioner of Social Security shall, if the Commissioner de-  
4 termines it is in the best interest of the individual, promptly  
5 suspend payment of benefits to the representative payee, and  
6 provide for payment of benefits to an alternative representative  
7 payee of the individual or, if the interest of the individual  
8 under this title would be served thereby, to the individual.

9           “(IV) Subclause (II) shall not apply to the representative  
10 payee of any individual with respect to whom the Commissioner  
11 determines such application would be inappropriate or unneces-  
12 sary. In making such determination, the Commissioner shall  
13 take into consideration the nature of the individual’s impair-  
14 ment (or combination of impairments). Section 1631(c) shall  
15 not apply to a finding by the Commissioner that the require-  
16 ments of subclause (II) should not apply to an individual’s rep-  
17 resentative payee.”.

18       (b) DISABILITY ELIGIBILITY REDETERMINATIONS RE-  
19 QUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF  
20 AGE.—

21           (1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C.  
22 1382c(a)(3)(H)), as amended by subsection (a) of this sec-  
23 tion, is amended by adding at the end the following new  
24 clause:

25           “(iii) If an individual is eligible for benefits under this title  
26 by reason of disability for the month preceding the month in  
27 which the individual attains the age of 18 years, the Commis-  
28 sioner shall redetermine such eligibility—

29           “(I) during the 1-year period beginning on the individ-  
30 ual’s 18th birthday; and

31           “(II) by applying the criteria used in determining the  
32 initial eligibility for applicants who are age 18 or older.

33 With respect to a redetermination under this clause, paragraph  
34 (4) shall not apply and such redetermination shall be consid-  
35 ered a substitute for a review or redetermination otherwise re-

1 quired under any other provision of this subparagraph during  
2 that 1-year period.”.

3 (2) CONFORMING REPEAL.—Section 207 of the Social  
4 Security Independence and Program Improvements Act of  
5 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby re-  
6 pealed.

7 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR  
8 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42  
9 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b)  
10 of this section, is amended by adding at the end the following  
11 new clause:

12 “(iv)(I) Not later than 12 months after the birth of an in-  
13 dividual, the Commissioner shall review in accordance with  
14 paragraph (4) the continuing eligibility for benefits under this  
15 title by reason of disability of such individual whose low birth  
16 weight is a contributing factor material to the Commissioner’s  
17 determination that the individual is disabled.

18 “(II) A review under subclause (I) shall be considered a  
19 substitute for a review otherwise required under any other pro-  
20 vision of this subparagraph during that 12-month period.

21 “(III) A representative payee of a recipient whose case is  
22 reviewed under this clause shall present, at the time of review,  
23 evidence demonstrating that the recipient is, and has been, re-  
24 ceiving treatment, to the extent considered medically necessary  
25 and available, of the condition which was the basis for provid-  
26 ing benefits under this title.

27 “(IV) If the representative payee refuses to comply with-  
28 out good cause with the requirements of subclause (III), the  
29 Commissioner of Social Security shall, if the Commissioner de-  
30 termines it is in the best interest of the individual, promptly  
31 suspend payment of benefits to the representative payee, and  
32 provide for payment of benefits to an alternative representative  
33 payee of the individual or, if the interest of the individual  
34 under this title would be served thereby, to the individual.

35 “(V) Subclause (III) shall not apply to the representative  
36 payee of any individual with respect to whom the Commissioner

1 determines such application would be inappropriate or unneces-  
2 sary. In making such determination, the Commissioner shall  
3 take into consideration the nature of the individual's impair-  
4 ment (or combination of impairments). Section 1631(c) shall  
5 not apply to a finding by the Commissioner that the require-  
6 ments of subclause (III) should not apply to an individual's  
7 representative payee."

8 (d) EFFECTIVE DATE.—The amendments made by this  
9 section shall apply to benefits for months beginning on or after  
10 the date of the enactment of this Act, without regard to wheth-  
11 er regulations have been issued to implement such amend-  
12 ments.

13 SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIRE-  
14 MENTS.

15 (a) REQUIREMENT TO ESTABLISH ACCOUNT.—Section  
16 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

17 (1) by redesignating subparagraphs (F) and (G) as  
18 subparagraphs (G) and (H), respectively; and

19 (2) by inserting after subparagraph (E) the following  
20 new subparagraph:

21 "(F)(i)(I) Each representative payee of an eligible individ-  
22 ual under the age of 18 who is eligible for the payment of bene-  
23 fits described in subclause (II) shall establish on behalf of such  
24 individual an account in a financial institution into which such  
25 benefits shall be paid, and shall thereafter maintain such ac-  
26 count for use in accordance with clause (ii).

27 "(II) Benefits described in this subclause are past-due  
28 monthly benefits under this title (which, for purposes of this  
29 subclause, include State supplementary payments made by the  
30 Commissioner pursuant to an agreement under section 1616 or  
31 section 212(b) of Public Law 93-66) in an amount (after any  
32 withholding by the Commissioner for reimbursement to a State  
33 for interim assistance under subsection (g)) that exceeds the  
34 product of—

35 "(aa) 6, and

1           “(bb) the maximum monthly benefit payable under  
2           this title to an eligible individual.

3           “(ii)(I) A representative payee shall use funds in the ac-  
4           count established under clause (i) to pay for allowable expenses  
5           described in subclause (II).

6           “(II) An allowable expense described in this subclause is  
7           an expense for—

8           “(aa) education or job skills training;

9           “(bb) personal needs assistance;

10          “(cc) special equipment;

11          “(dd) housing modification;

12          “(ee) medical treatment;

13          “(ff) therapy or rehabilitation; or

14          “(gg) any other item or service that the Commissioner  
15          determines to be appropriate;

16          provided that such expense benefits such individual and, in the  
17          case of an expense described in item (bb), (cc), (dd), (ff), or  
18          (gg), is related to the impairment (or combination of impair-  
19          ments) of such individual.

20          “(III) The use of funds from an account established under  
21          clause (i) in any manner not authorized by this clause—

22          “(aa) by a representative payee shall be considered a  
23          misapplication of benefits for all purposes of this para-  
24          graph, and any representative payee who knowingly  
25          misapplies benefits from such an account shall be liable to  
26          the Commissioner in an amount equal to the total amount  
27          of such benefits; and

28          “(bb) by an eligible individual who is his or her own  
29          payee shall be considered a misapplication of benefits for  
30          all purposes of this paragraph and the total amount of such  
31          benefits so used shall be considered to be the uncompen-  
32          sated value of a disposed resource and shall be subject to  
33          the provisions of section 1613(c).

34          “(IV) This clause shall continue to apply to funds in the  
35          account after the child has reached age 18, regardless of

1 whether benefits are paid directly to the beneficiary or through  
2 a representative payee.

3 “(iii) The representative payee may deposit into the ac-  
4 count established pursuant to clause (i)—

5 “(I) past-due benefits payable to the eligible individual  
6 in an amount less than that specified in clause (i)(II), and

7 “(II) any other funds representing an underpayment  
8 under this title to such individual, provided that the  
9 amount of such underpayment is equal to or exceeds the  
10 maximum monthly benefit payable under this title to an eli-  
11 gible individual.

12 “(iv) The Commissioner of Social Security shall establish  
13 a system for accountability monitoring whereby such represent-  
14 ative payee shall report, at such time and in such manner as  
15 the Commissioner shall require, on activity respecting funds in  
16 the account established pursuant to clause (i).”.

17 (b) EXCLUSION FROM RESOURCES.—Section 1613(a) (42  
18 U.S.C. 1382b(a)) is amended—

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

20 (2) by striking the period at the end of paragraph (11)  
21 and inserting “; and”; and

22 (3) by inserting after paragraph (11) the following  
23 new paragraph:

24 “(12) any account, including accrued interest or other  
25 earnings thereon, established and maintained in accordance  
26 with section 1631(a)(2)(F).”.

27 (c) EXCLUSION FROM INCOME.—Section 1612(b) (42  
28 U.S.C. 1382a(b)) is amended—

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

30 (2) by striking the period at the end of paragraph (20)  
31 and inserting “; and”; and

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

33 “(21) the interest or other earnings on any account es-  
34 tablished and maintained in accordance with section  
35 1631(a)(2)(F).”.

1 (d) EFFECTIVE DATE.—The amendments made by this  
2 section shall apply to payments made after the date of the en-  
3 actment of this Act.

4 SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO  
5 INSTITUTIONALIZED INDIVIDUALS WHOSE  
6 MEDICAL COSTS ARE COVERED BY PRIVATE  
7 INSURANCE.

8 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.  
9 1382(e)(1)(B)) is amended by inserting “or, in the case of an  
10 eligible individual who is a child under the age of 18, receiving  
11 payments (with respect to such individual) under any health in-  
12 surance policy issued by a private provider of such insurance”  
13 after “section 1614(f)(2)(B),”.

14 (b) EFFECTIVE DATE.—The amendment made by this sec-  
15 tion shall apply to benefits for months beginning 90 or more  
16 days after the date of the enactment of this Act, without regard  
17 to whether regulations have been issued to implement such  
18 amendments.

19 SEC. 215. REGULATIONS.

20 Within 3 months after the date of the enactment of this  
21 Act, the Commissioner of Social Security shall prescribe such  
22 regulations as may be necessary to implement the amendments  
23 made by this subtitle.

24 **Subtitle C—Additional Enforcement**  
25 **Provision**

26 SEC. 221. INSTALLMENT PAYMENT OF LARGE PAST-DUE  
27 SUPPLEMENTAL SECURITY INCOME BENE-  
28 FITS.

29 (a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is  
30 amended by adding at the end the following new paragraph:

31 “(10)(A) If an individual is eligible for past-due monthly  
32 benefits under this title in an amount that (after any withhold-  
33 ing for reimbursement to a State for interim assistance under  
34 subsection (g)) equals or exceeds the product of—

35 “(i) 12, and

1           “(ii) the maximum monthly benefit payable under this  
2           title to an eligible individual (or, if appropriate, to an eligi-  
3           ble individual and eligible spouse),  
4           then the payment of such past-due benefits (after any such re-  
5           imbursement to a State) shall be made in installments as pro-  
6           vided in subparagraph (B).

7           “(B)(i) The payment of past-due benefits subject to this  
8           subparagraph shall be made in not to exceed 3 installments  
9           that are made at 6-month intervals.

10          “(ii) Except as provided in clause (iii), the amount of each  
11          of the first and second installments may not exceed an amount  
12          equal to the product of clauses (i) and (ii) of subparagraph (A).

13          “(iii) In the case of an individual who has—

14               “(I) outstanding debt attributable to—

15                       “(aa) food,

16                       “(bb) clothing,

17                       “(cc) shelter, or

18                       “(dd) medically necessary services, supplies or  
19                       equipment, or medicine; or

20               “(II) current expenses or expenses anticipated in the  
21               near term attributable to—

22                       “(aa) medically necessary services, supplies or  
23                       equipment, or medicine, or

24                       “(bb) the purchase of a home, and

25          such debt or expenses are not subject to reimbursement by a  
26          public assistance program, the Secretary under title XVIII, a  
27          State plan approved under title XIX, or any private entity le-  
28          gally liable to provide payment pursuant to an insurance policy,  
29          pre-paid plan, or other arrangement, the limitation specified in  
30          clause (ii) may be exceeded by an amount equal to the total  
31          of such debt and expenses.

32          “(C) This paragraph shall not apply to any individual who,  
33          at the time of the Commissioner's determination that such indi-  
34          vidual is eligible for the payment of past-due monthly benefits  
35          under this title—

1           “(i) is afflicted with a medically determinable impair-  
2           ment that is expected to result in death within 12 months;  
3           or

4           “(ii) is ineligible for benefits under this title and the  
5           Commissioner determines that such individual is likely to  
6           remain ineligible for the next 12 months.

7           “(D) For purposes of this paragraph, the term ‘benefits  
8           under this title’ includes supplementary payments pursuant to  
9           an agreement for Federal administration under section  
10          1616(a), and payments pursuant to an agreement entered into  
11          under section 212(b) of Public Law 93-66.”.

12          (b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42  
13          U.S.C. 1383(a)(1)) is amended by inserting “(subject to para-  
14          graph (10))” immediately before “in such installments”.

15          (c) EFFECTIVE DATE.—

16           (1) IN GENERAL.—The amendments made by this sec-  
17           tion are effective with respect to past-due benefits payable  
18           under title XVI of the Social Security Act after the third  
19           month following the month in which this Act is enacted.

20           (2) BENEFITS PAYABLE UNDER TITLE XVI.—For pur-  
21           poses of this subsection, the term “benefits payable under  
22           title XVI of the Social Security Act” includes supple-  
23           mentary payments pursuant to an agreement for Federal  
24           administration under section 1616(a) of the Social Security  
25           Act, and payments pursuant to an agreement entered into  
26           under section 212(b) of Public Law 93-66.

27          **SEC. 222. REGULATIONS.**

28           Within 3 months after the date of the enactment of this  
29           Act, the Commissioner of Social Security shall prescribe such  
30           regulations as may be necessary to implement the amendments  
31           made by this subtitle.

1 Subtitle D—Studies Regarding Sup-  
2 plemental Security Income Pro-  
3 gram

4 SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SE-  
5 CURITY INCOME PROGRAM.

6 Title XVI (42 U.S.C. 1381 et seq.), as amended by section  
7 105(b)(3) of the Contract with America Advancement Act of  
8 1996, is amended by adding at the end the following new sec-  
9 tion:

10 "ANNUAL REPORT ON PROGRAM

11 "SEC. 1637. (a) Not later than May 30 of each year, the  
12 Commissioner of Social Security shall prepare and deliver a re-  
13 port annually to the President and the Congress regarding the  
14 program under this title, including—

15 "(1) a comprehensive description of the program;

16 "(2) historical and current data on allowances and de-  
17 nials, including number of applications and allowance rates  
18 for initial determinations, reconsideration determinations,  
19 administrative law judge hearings, appeals council reviews,  
20 and Federal court decisions;

21 "(3) historical and current data on characteristics of  
22 recipients and program costs, by recipient group (aged,  
23 blind, disabled adults, and disabled children);

24 "(4) historical and current data on prior enrollment by  
25 recipients in public benefit programs, including State pro-  
26 grams funded under part A of title IV of the Social Secu-  
27 rity Act and State general assistance programs;

28 "(5) projections of future number of recipients and  
29 program costs, through at least 25 years;

30 "(6) number of redeterminations and continuing dis-  
31 ability reviews, and the outcomes of such redeterminations  
32 and reviews;

33 "(7) data on the utilization of work incentives;

34 "(8) detailed information on administrative and other  
35 program operation costs;

- 1           “(9) summaries of relevant research undertaken by the  
2           Social Security Administration, or by other researchers;  
3           “(10) State supplementation program operations;  
4           “(11) a historical summary of statutory changes to  
5           this title; and  
6           “(12) such other information as the Commissioner  
7           deems useful.

8           “(b) Each member of the Social Security Advisory Board  
9           shall be permitted to provide an individual report, or a joint re-  
10          port if agreed, of views of the program under this title, to be  
11          included in the annual report required under this section.”.

12       **SEC. 232. STUDY BY GENERAL ACCOUNTING OFFICE.**

13           Not later than January 1, 1999, the Comptroller General  
14          of the United States shall study and report on—

- 15           (1) the impact of the amendments made by, and the  
16           provisions of, this title on the supplemental security income  
17           program under title XVI of the Social Security Act; and  
18           (2) extra expenses incurred by families of children re-  
19           ceiving benefits under such title that are not covered by  
20           other Federal, State, or local programs.

1                   **TITLE III—CHILD SUPPORT**

2   **SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.**

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

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

10   **SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUP-**  
11       **PORT ENFORCEMENT SERVICES.**

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

14               (1) by striking paragraph (4) and inserting the follow-  
15 ing new paragraph:

16               “(4) provide that the State will—

17               “(A) provide services relating to the establishment  
18 of paternity or the establishment, modification, or en-  
19 forcement of child support obligations, as appropriate,  
20 under the plan with respect to—

21               “(i) each child for whom (I) assistance is pro-  
22 vided under the State program funded under part  
23 A of this title, (II) benefits or services for foster  
24 care maintenance are provided under the State pro-  
25 gram funded under part E of this title, or (III)  
26 medical assistance is provided under the State plan  
27 approved under title XIX, unless, in accordance  
28 with paragraph (29), good cause or other excep-  
29 tions exist;

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

32               “(B) enforce any support obligation established  
33 with respect to—

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

1                   “(ii) the custodial parent of such a child;”;

2                   and

3                   (2) in paragraph (6)—

4                   (A) by striking “provide that” and inserting “pro-  
5                   vide that—”;

6                   (B) by striking subparagraph (A) and inserting  
7                   the following new subparagraph:

8                   “(A) services under the plan shall be made avail-  
9                   able to residents of other States on the same terms as  
10                   to residents of the State submitting the plan;”;

11                   (C) in subparagraph (B), by inserting “on individ-  
12                   uals not receiving assistance under any State program  
13                   funded under part A” after “such services shall be im-  
14                   posed”;

15                   (D) in each of subparagraphs (B), (C), (D), and  
16                   (E)—

17                   (i) by indenting the subparagraph in the same  
18                   manner as, and aligning the left margin of the sub-  
19                   paragraph with the left margin of, the matter in-  
20                   serted by subparagraph (B) of this paragraph; and

21                   (ii) by striking the final comma and inserting  
22                   a semicolon; and

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

25                   (b) CONTINUATION OF SERVICES FOR FAMILIES CEASING  
26                   TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM  
27                   FUNDED UNDER PART A—Section 454 (42 U.S.C. 654) is  
28                   amended—

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

30                   (2) by striking the period at the end of paragraph (24)  
31                   and inserting “; and”; and

32                   (3) by adding after paragraph (24) the following new  
33                   paragraph:

34                   “(25) provide that if a family with respect to which  
35                   services are provided under the plan ceases to receive as-  
36                   sistance under the State program funded under part A, the

1 State shall provide appropriate notice to the family and  
2 continue to provide such services, subject to the same con-  
3 ditions and on the same basis as in the case of other indi-  
4 viduals to whom services are furnished under the plan, ex-  
5 cept that an application or other request to continue serv-  
6 ices shall not be required of such a family and paragraph  
7 (6)(B) shall not apply to the family.”.

8 (c) CONFORMING AMENDMENTS.—

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

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

14 (3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is  
15 amended by striking “in the case of overdue support which  
16 a State has agreed to collect under section 454(6)” and in-  
17 serting “in any other case”.

18 (4) Section 466(e) (42 U.S.C. 666(e)) is amended by  
19 striking “paragraph (4) or (6) of section 454” and insert-  
20 ing “section 454(4)”.

21 **SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLEC-**  
22 **TIONS.**

23 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amend-  
24 ed to read as follows:

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

26 **“(a) IN GENERAL.—**Subject to subsection (e), an amount  
27 collected on behalf of a family as support by a State pursuant  
28 to a plan approved under this part shall be distributed as fol-  
29 lows:

30 **“(1) FAMILIES RECEIVING ASSISTANCE.—**In the case  
31 of a family receiving assistance from the State, the State  
32 shall—

33 **“(A) pay to the Federal Government the Federal**  
34 **share of the amount so collected; and**

35 **“(B) retain, or distribute to the family, the State**  
36 **share of the amount so collected.**

1           “(2) FAMILIES THAT FORMERLY RECEIVED ASSIST-  
2           ANCE.—In the case of a family that formerly received as-  
3           sistance from the State:

4           “(A) CURRENT SUPPORT PAYMENTS.—To the ex-  
5           tent that the amount so collected does not exceed the  
6           amount required to be paid to the family for the month  
7           in which collected, the State shall distribute the  
8           amount so collected to the family.

9           “(B) PAYMENTS OF ARREARAGES.—To the extent  
10          that the amount so collected exceeds the amount re-  
11          quired to be paid to the family for the month in which  
12          collected, the State shall distribute the amount so col-  
13          lected as follows:

14          “(i) DISTRIBUTION OF ARREARAGES THAT AC-  
15          CRUED AFTER THE FAMILY CEASED TO RECEIVE  
16          ASSISTANCE.—

17               “(I) PRE-OCTOBER 1997.—Except as pro-  
18               vided in subclause (II), the provisions of this  
19               section (other than subsection (b)(1)) as in ef-  
20               fect and applied on the day before the date of  
21               the enactment of section 302 of the Personal  
22               Responsibility and Work Opportunity Act Rec-  
23               onciliation of 1996 shall apply with respect to  
24               the distribution of support arrearages that—

25                       “(aa) accrued after the family ceased  
26                       to receive assistance, and

27                       “(bb) are collected before October 1,  
28                       1997.

29               “(II) POST-SEPTEMBER 1997.—With re-  
30               spect to the amount so collected on or after Oc-  
31               tober 1, 1997 (or before such date, at the op-  
32               tion of the State)—

33                       “(aa) IN GENERAL.—The State shall  
34                       first distribute the amount so collected  
35                       (other than any amount described in clause  
36                       (iv)) to the family to the extent necessary

1 to satisfy any support arrearages with re-  
2 spect to the family that accrued after the  
3 family ceased to receive assistance from the  
4 State.

5 “(bb) REIMBURSEMENT OF GOVERN-  
6 MENTS FOR ASSISTANCE PROVIDED TO THE  
7 FAMILY.—After the application of division  
8 (aa) and clause (ii)(II)(aa) with respect to  
9 the amount so collected, the State shall re-  
10 tain the State share of the amount so col-  
11 lected, and pay to the Federal Government  
12 the Federal share (as defined in subsection  
13 (c)(2)) of the amount so collected, but only  
14 to the extent necessary to reimburse  
15 amounts paid to the family as assistance by  
16 the State.

17 “(cc) DISTRIBUTION OF THE REMAIN-  
18 DER TO THE FAMILY.—To the extent that  
19 neither division (aa) nor division (bb) ap-  
20 plies to the amount so collected, the State  
21 shall distribute the amount to the family.

22 “(ii) DISTRIBUTION OF ARREARAGES THAT AC-  
23 CRUED BEFORE THE FAMILY RECEIVED ASSIST-  
24 ANCE.—

25 “(I) PRE-OCTOBER 2000.—Except as pro-  
26 vided in subclause (II), the provisions of this  
27 section (other than subsection (b)(1)) as in ef-  
28 fect and applied on the day before the date of  
29 the enactment of section 302 of the Personal  
30 Responsibility and Work Opportunity Reconcili-  
31 ation Act of 1996 shall apply with respect to  
32 the distribution of support arrearages that—

33 “(aa) accrued before the family re-  
34 ceived assistance, and

35 “(bb) are collected before October 1,  
36 2000.

1           “(II) POST-SEPTEMBER 2000.—Unless,  
2 based on the report required by paragraph (4),  
3 the Congress determines otherwise, with re-  
4 spect to the amount so collected on or after Oc-  
5 tober 1, 2000 (or before such date, at the op-  
6 tion of the State)—

7           “(aa) IN GENERAL.—The State shall  
8 first distribute the amount so collected  
9 (other than any amount described in clause  
10 (iv)) to the family to the extent necessary  
11 to satisfy any support arrearages with re-  
12 spect to the family that accrued before the  
13 family received assistance from the State.

14           “(bb) REIMBURSEMENT OF GOVERN-  
15 MENTS FOR ASSISTANCE PROVIDED TO THE  
16 FAMILY.—After the application of clause  
17 (i)(II)(aa) and division (aa) with respect to  
18 the amount so collected, the State shall re-  
19 tain the State share of the amount so col-  
20 lected, and pay to the Federal Government  
21 the Federal share (as defined in subsection  
22 (c)(2)) of the amount so collected, but only  
23 to the extent necessary to reimburse  
24 amounts paid to the family as assistance by  
25 the State.

26           “(cc) DISTRIBUTION OF THE REMAIN-  
27 DER TO THE FAMILY.—To the extent that  
28 neither division (aa) nor division (bb) ap-  
29 plies to the amount so collected, the State  
30 shall distribute the amount to the family.

31           “(iii) DISTRIBUTION OF ARREARAGES THAT  
32 ACCRUED WHILE THE FAMILY RECEIVED ASSIST-  
33 ANCE.—In the case of a family described in this  
34 subparagraph, the provisions of paragraph (1) shall  
35 apply with respect to the distribution of support ar-

1 rearages that accrued while the family received as-  
2 sistance.

3 “(iv) AMOUNTS COLLECTED PURSUANT TO  
4 SECTION 464.—Notwithstanding any other provi-  
5 sion of this section, any amount of support col-  
6 lected pursuant to section 464 shall be retained by  
7 the State to the extent past-due support has been  
8 assigned to the State as a condition of receiving as-  
9 sistance from the State, up to the amount nec-  
10 essary to reimburse the State for amounts paid to  
11 the family as assistance by the State. The State  
12 shall pay to the Federal Government the Federal  
13 share of the amounts so retained. To the extent the  
14 amount collected pursuant to section 464 exceeds  
15 the amount so retained, the State shall distribute  
16 the excess to the family.

17 “(v) ORDERING RULES FOR DISTRIBUTIONS.—  
18 For purposes of this subparagraph, unless an ear-  
19 lier effective date is required by this section, effec-  
20 tive October 1, 2000, the State shall treat any sup-  
21 port arrearages collected, except for amounts col-  
22 lected pursuant to section 464, as accruing in the  
23 following order:

24 “(I) To the period after the family ceased  
25 to receive assistance.

26 “(II) To the period before the family re-  
27 ceived assistance.

28 “(III) To the period while the family was  
29 receiving assistance.

30 “(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—  
31 In the case of any other family, the State shall distribute  
32 the amount so collected to the family.

33 “(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In  
34 the case of a family receiving assistance from an Indian  
35 tribe, distribute the amount so collected pursuant to an

1 agreement entered into pursuant to a State plan under sec-  
2 tion 454(33).

3 “(5) STUDY AND REPORT.—Not later than October 1,  
4 1998, the Secretary shall report to the Congress the Sec-  
5 retary’s findings with respect to—

6 “(A) whether the distribution of post-assistance  
7 arrearages to families has been effective in moving peo-  
8 ple off of welfare and keeping them off of welfare;

9 “(B) whether early implementation of a pre-assist-  
10 ance arrearage program by some States has been effec-  
11 tive in moving people off of welfare and keeping them  
12 off of welfare;

13 “(C) what the overall impact has been of the  
14 amendments made by the Personal Responsibility and  
15 Work Opportunity Act of 1996 with respect to child  
16 support enforcement in moving people off of welfare  
17 and keeping them off of welfare; and

18 “(D) based on the information and data the Sec-  
19 retary has obtained, what changes, if any, should be  
20 made in the policies related to the distribution of child  
21 support arrearages.

22 “(b) CONTINUATION OF ASSIGNMENTS.—Any rights to  
23 support obligations, which were assigned to a State as a condi-  
24 tion of receiving assistance from the State under part A and  
25 which were in effect on the day before the date of the enact-  
26 ment of the Personal Responsibility and Work Opportunity Act  
27 of 1996, shall remain assigned after such date.

28 “(c) DEFINITIONS.—As used in subsection (a):

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

31 “(A) assistance under the State program funded  
32 under part A or under the State plan approved under  
33 part A of this title (as in effect on the day before the  
34 date of the enactment of the Personal Responsibility  
35 and Work Opportunity Act of 1996); and

1           “(B) foster care maintenance payments under the  
2           State plan approved under part E of this title.

3           “(2) FEDERAL SHARE.—The term ‘Federal share’  
4           means that portion of the amount collected resulting from  
5           the application of the Federal medical assistance percent-  
6           age in effect for the fiscal year in which the amount is col-  
7           lected.

8           “(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—  
9           The term ‘Federal medical assistance percentage’ means—

10           “(A) the Federal medical assistance percentage (as  
11           defined in section 1118), in the case of Puerto Rico,  
12           the Virgin Islands, Guam, and American Samoa; or

13           “(B) the Federal medical assistance percentage  
14           (as defined in section 1905(b), as in effect on Septem-  
15           ber 30, 1996) in the case of any other State.

16           “(4) STATE SHARE.—The term ‘State share’ means  
17           100 percent minus the Federal share.

18           “(d) HOLD HARMLESS PROVISION.—If the amounts col-  
19           lected which could be retained by the State in the fiscal year  
20           (to the extent necessary to reimburse the State for amounts  
21           paid to families as assistance by the State) are less than the  
22           State share of the amounts collected in fiscal year 1995 (deter-  
23           mined in accordance with section 457 as in effect on the day  
24           before the date of the enactment of the Personal Responsibility  
25           and Work Opportunity Act of 1996), the State share for the  
26           fiscal year shall be an amount equal to the State share in fiscal  
27           year 1995.

28           “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION  
29           UNDER THIS SECTION.—At State option, this section shall not  
30           apply to any amount collected on behalf of a family as support  
31           by the State (and paid to the family in addition to the amount  
32           of assistance otherwise payable to the family) pursuant to a  
33           plan approved under this part if such amount would have been  
34           paid to the family by the State under section 402(a)(28), as  
35           in effect and applied on the day before the date of the enact-  
36           ment of section 302 of the Personal Responsibility and Work

1 Opportunity Reconciliation Act of 1996. For purposes of sub-  
2 section (d), the State share of such amount paid to the family  
3 shall be considered amounts which could be retained by the  
4 State if such payments were reported by the State as part of  
5 the State share of amounts collected in fiscal year 1995.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amend-  
8 ed by striking “section 457(b)(4) or (d)(3)” and inserting  
9 “section 457”.

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

11 (A) in paragraph (11)—

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

13 and

14 (ii) by inserting after the semicolon “and”;

15 and

16 (B) by redesignating paragraph (12) as subpara-  
17 graph (B) of paragraph (11).

18 (c) EFFECTIVE DATES.—

19 (1) IN GENERAL.—Except as provided in paragraph  
20 (2), the amendments made by this section shall be effective  
21 on October 1, 1996, or earlier at the State’s option.

22 (2) CONFORMING AMENDMENTS.—The amendments  
23 made by subsection (b)(2) shall become effective on the  
24 date of the enactment of this Act.

25 **SEC. 303. PRIVACY SAFEGUARDS.**

26 (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C.  
27 654), as amended by section 301(b) of this Act, is amended—

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

29 (2) by striking the period at the end of paragraph (25)  
30 and inserting “; and”; and

31 (3) by adding after paragraph (25) the following new  
32 paragraph:

33 “(26) will have in effect safeguards, applicable to all  
34 confidential information handled by the State agency, that  
35 are designed to protect the privacy rights of the parties, in-  
36 cluding—

1           “(A) safeguards against unauthorized use or dis-  
2           closure of information relating to proceedings or ac-  
3           tions to establish paternity, or to establish or enforce  
4           support;

5           “(B) prohibitions against the release of informa-  
6           tion on the whereabouts of 1 party to another party  
7           against whom a protective order with respect to the  
8           former party has been entered; and

9           “(C) prohibitions against the release of informa-  
10          tion on the whereabouts of 1 party to another party if  
11          the State has reason to believe that the release of the  
12          information may result in physical or emotional harm  
13          to the former party.”.

14          (b) EFFECTIVE DATE.—The amendment made by sub-  
15          section (a) shall become effective on October 1, 1997.

16          SEC. 304. RIGHTS TO NOTIFICATION OF HEARINGS.

17          (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as  
18          amended by section 302(b)(2) of this Act, is amended by in-  
19          serting after paragraph (11) the following new paragraph:

20                 “(12) provide for the establishment of procedures to  
21                 require the State to provide individuals who are applying  
22                 for or receiving services under the State plan, or who are  
23                 parties to cases in which services are being provided under  
24                 the State plan—

25                         “(A) with notice of all proceedings in which sup-  
26                         port obligations might be established or modified; and

27                         “(B) with a copy of any order establishing or  
28                         modifying a child support obligation, or (in the case of  
29                         a petition for modification) a notice of determination  
30                         that there should be no change in the amount of the  
31                         child support award, within 14 days after issuance of  
32                         such order or determination;”.

33          (b) EFFECTIVE DATE.—The amendment made by sub-  
34          section (a) shall become effective on October 1, 1997.

## Subtitle B—Locate and Case Tracking

### SEC. 311. STATE CASE REGISTRY.

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

“(e) STATE CASE REGISTRY.—

“(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the ‘State case registry’) that contains records with respect to—

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

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

“(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

“(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

“(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

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

“(B) any amount described in subparagraph (A) that has been collected;

1           “(C) the distribution of such collected amounts;

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

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

6           “(5) UPDATING AND MONITORING.—The State agency  
7 operating the automated system required by this section  
8 shall promptly establish and update, maintain, and regu-  
9 larly monitor, case records in the State case registry with  
10 respect to which services are being provided under the  
11 State plan approved under this part, on the basis of—

12           “(A) information on administrative actions and  
13 administrative and judicial proceedings and orders re-  
14 lating to paternity and support;

15           “(B) information obtained from comparison with  
16 Federal, State, or local sources of information;

17           “(C) information on support collections and dis-  
18 tributions; and

19           “(D) any other relevant information.

20           “(f) INFORMATION COMPARISONS AND OTHER DISCLO-  
21 SURES OF INFORMATION.—The State shall use the automated  
22 system required by this section to extract information from (at  
23 such times, and in such standardized format or formats, as  
24 may be required by the Secretary), to share and compare infor-  
25 mation with, and to receive information from, other data bases  
26 and information comparison services, in order to obtain (or pro-  
27 vide) information necessary to enable the State agency (or the  
28 Secretary or other State or Federal agencies) to carry out this  
29 part, subject to section 6103 of the Internal Revenue Code of  
30 1986. Such information comparison activities shall include the  
31 following:

32           “(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT  
33 ORDERS.—Furnishing to the Federal Case Registry of  
34 Child Support Orders established under section 453(h)  
35 (and update as necessary, with information including notice  
36 of expiration of orders) the minimum amount of informa-

1 tion on child support cases recorded in the State case reg-  
2 istry that is necessary to operate the registry (as specified  
3 by the Secretary in regulations).

4 “(2) FEDERAL PARENT LOCATOR SERVICE.—Exchang-  
5 ing information with the Federal Parent Locator Service  
6 for the purposes specified in section 453.

7 “(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID  
8 AGENCIES.—Exchanging information with State agencies  
9 (of the State and of other States) administering programs  
10 funded under part A, programs operated under a State  
11 plan approved under title XIX, and other programs des-  
12 ignated by the Secretary, as necessary to perform State  
13 agency responsibilities under this part and under such pro-  
14 grams.

15 “(4) INTRASTATE AND INTERSTATE INFORMATION  
16 COMPARISONS.—Exchanging information with other agen-  
17 cies of the State, agencies of other States, and interstate  
18 information networks, as necessary and appropriate to  
19 carry out (or assist other States to carry out) the purposes  
20 of this part.”.

21 **SEC. 312. COLLECTION AND DISBURSEMENT OF SUP-**  
22 **PORT PAYMENTS.**

23 (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C.  
24 654), as amended by sections 301(b) and 303(a) of this Act,  
25 is amended—

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

27 (2) by striking the period at the end of paragraph (26)

28 and inserting “; and”; and

29 (3) by adding after paragraph (26) the following new  
30 paragraph:

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

33 “(A) operate a State disbursement unit in accord-  
34 ance with section 454B; and

1           “(B) have sufficient State staff (consisting of  
2           State employees) and (at State option) contractors re-  
3           porting directly to the State agency to—

4           “(i) monitor and enforce support collections  
5           through the unit in cases being enforced by the  
6           State pursuant to section 454(4) (including carry-  
7           ing out the automated data processing responsibil-  
8           ities described in section 454A(g)); and

9           “(ii) take the actions described in section  
10          466(c)(1) in appropriate cases.”.

11          (b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—  
12          Part D of title IV (42 U.S.C. 651–669), as amended by section  
13          344(a)(2) of this Act, is amended by inserting after section  
14          454A the following new section:

15          “SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-  
16          PORT PAYMENTS.

17          “(a) STATE DISBURSEMENT UNIT.—

18                 “(1) IN GENERAL.—In order for a State to meet the  
19                 requirements of this section, the State agency must estab-  
20                 lish and operate a unit (which shall be known as the ‘State  
21                 disbursement unit’) for the collection and disbursement of  
22                 payments under support orders—

23                         “(A) in all cases being enforced by the State pur-  
24                         suant to section 454(4); and

25                         “(B) in all cases not being enforced by the State  
26                         under this part in which the support order is initially  
27                         issued in the State on or after January 1, 1994, and  
28                         in which the income of the noncustodial parent are sub-  
29                         ject to withholding pursuant to section 466(a)(8)(B).

30                 “(2) OPERATION.—The State disbursement unit shall  
31                 be operated—

32                         “(A) directly by the State agency (or 2 or more  
33                         State agencies under a regional cooperative agreement),  
34                         or (to the extent appropriate) by a contractor respon-  
35                         sible directly to the State agency; and

1           “(B) except in cases described in paragraph  
2           (1)(B), in coordination with the automated system es-  
3           tablished by the State pursuant to section 454A.

4           “(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The  
5           State disbursement unit may be established by linking local  
6           disbursement units through an automated information net-  
7           work, subject to this section, if the Secretary agrees that  
8           the system will not cost more nor take more time to estab-  
9           lish or operate than a centralized system. In addition, em-  
10          ployers shall be given 1 location to which income withhold-  
11          ing is sent.

12          “(b) REQUIRED PROCEDURES.—The State disbursement  
13          unit shall use automated procedures, electronic processes, and  
14          computer-driven technology to the maximum extent feasible, ef-  
15          ficient, and economical, for the collection and disbursement of  
16          support payments, including procedures—

17                 “(1) for receipt of payments from parents, employers,  
18                 and other States, and for disbursements to custodial par-  
19                 ents and other obligees, the State agency, and the agencies  
20                 of other States;

21                 “(2) for accurate identification of payments;

22                 “(3) to ensure prompt disbursement of the custodial  
23                 parent’s share of any payment; and

24                 “(4) to furnish to any parent, upon request, timely in-  
25                 formation on the current status of support payments under  
26                 an order requiring payments to be made by or to the par-  
27                 ent, except that in cases described in subsection (a)(1)(B),  
28                 the State disbursement unit shall not be required to con-  
29                 vert and maintain in automated form records of payments  
30                 kept pursuant to section 466(a)(8)(B)(iii) before the effec-  
31                 tive date of this section.

32          “(c) TIMING OF DISBURSEMENTS.—

33                 “(1) IN GENERAL.—Except as provided in paragraph  
34                 (2), the State disbursement unit shall distribute all  
35                 amounts payable under section 457(a) within 2 business  
36                 days after receipt from the employer or other source of

1 periodic income, if sufficient information identifying the  
2 payee is provided.

3 “(2) PERMISSIVE RETENTION OF ARREARAGES.—The  
4 State disbursement unit may delay the distribution of col-  
5 lections toward arrearages until the resolution of any timely  
6 appeal with respect to such arrearages.

7 “(d) BUSINESS DAY DEFINED.—As used in this section,  
8 the term ‘business day’ means a day on which State offices are  
9 open for regular business.”

10 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
11 added by section 344(a)(2) and as amended by section 311 of  
12 this Act, is amended by adding at the end the following new  
13 subsection:

14 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAY-  
15 MENTS.—

16 “(1) IN GENERAL.—The State shall use the automated  
17 system required by this section, to the maximum extent  
18 feasible, to assist and facilitate the collection and disburse-  
19 ment of support payments through the State disbursement  
20 unit operated under section 454B, through the performance  
21 of functions, including, at a minimum—

22 “(A) transmission of orders and notices to employ-  
23 ers (and other debtors) for the withholding of income—

24 “(i) within 2 business days after receipt of no-  
25 tice of, and the income source subject to, such  
26 withholding from a court, another State, an em-  
27 ployer, the Federal Parent Locator Service, or an  
28 other source recognized by the State; and

29 “(ii) using uniform formats prescribed by the  
30 Secretary;

31 “(B) ongoing monitoring to promptly identify fail-  
32 ures to make timely payment of support; and

33 “(C) automatic use of enforcement procedures (in-  
34 cluding procedures authorized pursuant to section  
35 466(c)) if payments are not timely made.

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

4           (d) EFFECTIVE DATES.—

5           (1) IN GENERAL.—Except as provided in paragraph  
6           (2), the amendments made by this section shall become ef-  
7           fective on October 1, 1998.

8           (2) LIMITED EXCEPTION TO UNIT HANDLING PAY-  
9           MENTS.—Notwithstanding section 454B(b)(1) of the Social  
10          Security Act, as added by this section, any State which, as  
11          of the date of the enactment of this Act, processes the re-  
12          ceipt of child support payments through local courts may,  
13          at the option of the State, continue to process through Sep-  
14          tember 30, 1999, such payments through such courts as  
15          processed such payments on or before such date of enact-  
16          ment.

17       **SEC. 313. STATE DIRECTORY OF NEW HIRES.**

18          (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C.  
19          654), as amended by sections 301(b), 303(a) and 312(a) of this  
20          Act, is amended—

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

22               (2) by striking the period at the end of paragraph (27)

23               and inserting “; and”; and

24               (3) by adding after paragraph (27) the following new  
25          paragraph:

26               “(28) provide that, on and after October 1, 1997, the  
27          State will operate a State Directory of New Hires in ac-  
28          cordance with section 453A.”

29          (b) STATE DIRECTORY OF NEW HIRES.—Part D of title  
30          IV (42 U.S.C. 651–669) is amended by inserting after section  
31          453 the following new section:

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

33               “(a) ESTABLISHMENT.—

34                       “(1) IN GENERAL.—

35                               “(A) REQUIREMENT FOR STATES THAT HAVE NO  
36                               DIRECTORY.—Except as provided in subparagraph (B),

1 not later than October 1, 1997, each State shall estab-  
2 lish an automated directory (to be known as the 'State  
3 Directory of New Hires') which shall contain informa-  
4 tion supplied in accordance with subsection (b) by em-  
5 ployers on each newly hired employee.

6 "(B) STATES WITH NEW HIRE REPORTING IN EX-  
7 ISTENCE.—A State which has a new hire reporting law  
8 in existence on the date of the enactment of this sec-  
9 tion may continue to operate under the State law, but  
10 the State must meet the requirements of subsection  
11 (g)(2) not later than October 1, 1997, and the require-  
12 ments of this section (other than subsection (g)(2)) not  
13 later than October 1, 1998.

14 "(2) DEFINITIONS.—As used in this section:

15 "(A) EMPLOYEE.—The term 'employee'—

16 "(i) means an individual who is an employee  
17 within the meaning of chapter 24 of the Internal  
18 Revenue Code of 1986; and

19 "(ii) does not include an employee of a Fed-  
20 eral or State agency performing intelligence or  
21 counterintelligence functions, if the head of such  
22 agency has determined that reporting pursuant to  
23 paragraph (1) with respect to the employee could  
24 endanger the safety of the employee or compromise  
25 an ongoing investigation or intelligence mission, ..

26 "(B) EMPLOYER.—

27 "(i) IN GENERAL.—The term 'employer' has  
28 the meaning given such term in section 3401(d) of  
29 the Internal Revenue Code of 1986 and includes  
30 any governmental entity and any labor organiza-  
31 tion.

32 "(ii) LABOR ORGANIZATION.—The term 'labor  
33 organization' shall have the meaning given such  
34 term in section 2(5) of the National Labor Rela-  
35 tions Act, and includes any entity (also known as  
36 a 'hiring hall') which is used by the organization

1 and an employer to carry out requirements de-  
2 scribed in section 8(f)(3) of such Act of an agree-  
3 ment between the organization and the employer.

4 "(b) EMPLOYER INFORMATION.—

5 "(1) REPORTING REQUIREMENT.—

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

14 "(B) MULTISTATE EMPLOYERS.—An employer  
15 that has employees who are employed in 2 or more  
16 States and that transmits reports magnetically or elec-  
17 tronically may comply with subparagraph (A) by des-  
18 ignating 1 State in which such employer has employees  
19 to which the employer will transmit the report de-  
20 scribed in subparagraph (A), and transmitting such re-  
21 port to such State. Any employer that transmits re-  
22 ports pursuant to this subparagraph shall notify the  
23 Secretary in writing as to which State such employer  
24 designates for the purpose of sending reports.

25 "(C) FEDERAL GOVERNMENT EMPLOYERS.—Any  
26 department, agency, or instrumentality of the United  
27 States shall comply with subparagraph (A) by trans-  
28 mitting the report described in subparagraph (A) to the  
29 National Directory of New Hires established pursuant  
30 to section 453.

31 "(2) TIMING OF REPORT.—Each State may provide  
32 the time within which the report required by paragraph (1)  
33 shall be made with respect to an employee, but such report  
34 shall be made—

35 "(A) not later than 20 days after the date the em-  
36 ployer hires the employee; or

1           “(B) in the case of an employer transmitting re-  
2           ports magnetically or electronically, by 2 monthly  
3           transmissions (if necessary) not less than 12 days nor  
4           more than 16 days apart.

5           “(c) REPORTING FORMAT AND METHOD.—Each report re-  
6           quired by subsection (b) shall be made on a W-4 form or, at  
7           the option of the employer, an equivalent form, and may be  
8           transmitted by 1st class mail, magnetically, or electronically.

9           “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EM-  
10          PLOYERS.—The State shall have the option to set a State civil  
11          money penalty which shall be less than—

12           “(1) \$25; or

13           “(2) \$500 if, under State law, the failure is the result  
14          of a conspiracy between the employer and the employee to  
15          not supply the required report or to supply a false or in-  
16          complete report.

17          “(e) ENTRY OF EMPLOYER INFORMATION.—Information  
18          shall be entered into the data base maintained by the State Di-  
19          rectory of New Hires within 5 business days of receipt from an  
20          employer pursuant to subsection (b).

21          “(f) INFORMATION COMPARISONS.—

22           “(1) IN GENERAL.—Not later than May 1, 1998, an  
23          agency designated by the State shall, directly or by con-  
24          tract, conduct automated comparisons of the social security  
25          numbers reported by employers pursuant to subsection (b)  
26          and the social security numbers appearing in the records  
27          of the State case registry for cases being enforced under  
28          the State plan.

29           “(2) NOTICE OF MATCH.—When an information com-  
30          parison conducted under paragraph (1) reveals a match  
31          with respect to the social security number of an individual  
32          required to provide support under a support order, the  
33          State Directory of New Hires shall provide the agency ad-  
34          ministering the State plan approved under this part of the  
35          appropriate State with the name, address, and social secu-  
36          rity number of the employee to whom the social security

1 number is assigned, and the name and address of, and  
2 identifying number assigned under section 6109 of the In-  
3 ternal Revenue Code of 1986 to, the employer.

4 “(g) TRANSMISSION OF INFORMATION.—

5 “(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES  
6 TO EMPLOYERS.—Within 2 business days after the date in-  
7 formation regarding a newly hired employee is entered into  
8 the State Directory of New Hires, the State agency enforc-  
9 ing the employee’s child support obligation shall transmit  
10 a notice to the employer of the employee directing the em-  
11 ployer to withhold from the income of the employee an  
12 amount equal to the monthly (or other periodic) child sup-  
13 port obligation (including any past due support obligation)  
14 of the employee, unless the employee’s income is not sub-  
15 ject to withholding pursuant to section 466(b)(3).

16 “(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY  
17 OF NEW HIRES.—

18 “(A) NEW HIRE INFORMATION.—Within 3 busi-  
19 ness days after the date information regarding a newly  
20 hired employee is entered into the State Directory of  
21 New Hires, the State Directory of New Hires shall fur-  
22 nish the information to the National Directory of New  
23 Hires.

24 “(B) WAGE AND UNEMPLOYMENT COMPENSATION  
25 INFORMATION.—The State Directory of New Hires  
26 shall, on a quarterly basis, furnish to the National Di-  
27 rectory of New Hires extracts of the reports required  
28 under section 303(a)(6) to be made to the Secretary of  
29 Labor concerning the wages and unemployment com-  
30 pensation paid to individuals, by such dates, in such  
31 format, and containing such information as the Sec-  
32 retary of Health and Human Services shall specify in  
33 regulations.

34 “(3) BUSINESS DAY DEFINED.—As used in this sub-  
35 section, the term ‘business day’ means a day on which  
36 State offices are open for regular business.

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

2               “(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The  
3 agency administering the State plan approved under this  
4 part shall use information received pursuant to subsection  
5 (f)(2) to locate individuals for purposes of establishing pa-  
6 ternity and establishing, modifying, and enforcing child  
7 support obligations, and may disclose such information to  
8 any agent of the agency that is under contract with the  
9 agency to carry out such purposes.

10              “(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN  
11 PROGRAMS.—A State agency responsible for administering  
12 a program specified in section 1137(b) shall have access to  
13 information reported by employers pursuant to subsection  
14 (b) of this section for purposes of verifying eligibility for  
15 the program.

16              “(3) ADMINISTRATION OF EMPLOYMENT SECURITY  
17 AND WORKERS’ COMPENSATION.—State agencies operating  
18 employment security and workers’ compensation programs  
19 shall have access to information reported by employers pur-  
20 suant to subsection (b) for the purposes of administering  
21 such programs.”.

22              “(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3)  
23 (42 U.S.C. 1320b-7(a)(3)) is amended—

24              (1) by inserting “(including State and local govern-  
25 mental entities and labor organizations (as defined in sec-  
26 tion 453A(a)(2)(B)(iii))” after “employers”; and

27              (2) by inserting “, and except that no report shall be  
28 filed with respect to an employee of a State or local agency  
29 performing intelligence or counterintelligence functions, if  
30 the head of such agency has determined that filing such a  
31 report could endanger the safety of the employee or com-  
32 promise an ongoing investigation or intelligence mission”  
33 after “paragraph (2)”.

34              “(d) DISCLOSURE TO CERTAIN AGENTS.—Section 303(e)  
35 (42 U.S.C. 503(e)) is amended by adding at the end the follow-  
36 ing:

1           “(5) A State or local child support enforcement agency  
2 may disclose to any agent of the agency that is under contract  
3 with the agency to carry out the purposes described in para-  
4 graph (1)(B) wage information that is disclosed to an officer  
5 or employee of the agency under paragraph (1)(A). Any agent  
6 of a State or local child support agency that receives wage in-  
7 formation under this paragraph shall comply with the safe-  
8 guards established pursuant to paragraph (1)(B).”

9           SEC. 314. AMENDMENTS CONCERNING INCOME WITH-  
10           HOLDING.

11           (a) MANDATORY INCOME WITHHOLDING.—

12           (1) IN GENERAL.—Section 466(a)(1) (42 U.S.C.  
13 666(a)(1)) is amended to read as follows:

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

17           “(B) Procedures under which the income of a person  
18 with a support obligation imposed by a support order is-  
19 sued (or modified) in the State before October 1, 1996, if  
20 not otherwise subject to withholding under subsection (b),  
21 shall become subject to withholding as provided in sub-  
22 section (b) if arrearages occur, without the need for a judi-  
23 cial or administrative hearing.”

24           (2) CONFORMING AMENDMENTS.—

25           (A) Section 466(b) (42 U.S.C. 666(b)) is amended  
26 in the matter preceding paragraph (1), by striking  
27 “subsection (a)(1)” and inserting “subsection  
28 (a)(1)(A)”.

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

31           “(4)(A) Such withholding must be carried out in full  
32 compliance with all procedural due process requirements of  
33 the State, and the State must send notice to each  
34 noncustodial parent to whom paragraph (1) applies—

35           “(i) that the withholding has commenced; and

1           “(ii) of the procedures to follow if the noncustodial  
2           parent desires to contest such withholding on the  
3           grounds that the withholding or the amount withheld  
4           is improper due to a mistake of fact.

5           “(B) The notice under subparagraph (A) of this para-  
6           graph shall include the information provided to the em-  
7           ployer under paragraph (6)(A).”.

8           (C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is  
9           amended by striking all that follows “administered by”  
10          and inserting “the State through the State disburse-  
11          ment unit established pursuant to section 454B, in ac-  
12          cordance with the requirements of section 454B.”.

13          (D) Section ~~466(b)(6)(A)~~ (42 U.S.C.  
14          666(b)(6)(A)) is amended—

15           (i) in clause (i), by striking “to the appro-  
16           priate agency” and all that follows and inserting  
17           “to the State disbursement unit within 7 business  
18           days after the date the amount would (but for this  
19           subsection) have been paid or credited to the em-  
20           ployee, for distribution in accordance with this  
21           part. The employer shall withhold funds as directed  
22           in the notice, except that when an employer re-  
23           ceives an income withholding order issued by an-  
24           other State, the employer shall apply the income  
25           withholding law of the state of the obligor’s prin-  
26           cipal place of employment in determining—

27           “(I) the employer’s fee for processing an income  
28           withholding order;

29           “(II) the maximum amount permitted to be with-  
30           held from the obligor’s income;

31           “(III) the time periods within which the employer  
32           must implement the income withholding order and for-  
33           ward the child support payment;

34           “(IV) the priorities for withholding and allocating  
35           income withheld for multiple child support obligees; and

1           “(V) any withholding terms or conditions not spec-  
2           ified in the order.

3           An employer who complies with an income withholding no-  
4           tice that is regular on its face shall not be subject to civil  
5           liability to any individual or agency for conduct in compli-  
6           ance with the notice.”;

7                   (ii) in clause (ii), by inserting “be in a stand-  
8                   ard format prescribed by the Secretary, and” after  
9                   “shall”; and

10                   (iii) by adding at the end the following new  
11                   clause:

12                   “(iii) As used in this subparagraph, the term ‘business  
13                   day’ means a day on which State offices are open for regu-  
14                   lar business.”.

15                   (E) Section 466(b)(6)(D) (42 U.S.C.  
16                   666(b)(6)(D)) is amended by striking “any employer”  
17                   and all that follows and inserting “any employer who—

18                           “(i) discharges from employment, refuses to em-  
19                           ploy, or takes disciplinary action against any  
20                           noncustodial parent subject to income withholding re-  
21                           quired by this subsection because of the existence of  
22                           such withholding and the obligations or additional obli-  
23                           gations which it imposes upon the employer; or

24                           “(ii) fails to withhold support from income or to  
25                           pay such amounts to the State disbursement unit in ac-  
26                           cordance with this subsection.”.

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

29                           “(11) Procedures under which the agency administer-  
30                           ing the State plan approved under this part may execute  
31                           a withholding order without advance notice to the obligor,  
32                           including issuing the withholding order through electronic  
33                           means.”.

34                   (b) DEFINITION OF INCOME.—

35                           (1) IN GENERAL.—Section 466(b)(8) (42 U.S.C.  
36                           666(b)(8)) is amended to read as follows:

1           “(8) For purposes of subsection (a) and this sub-  
2           section, the term ‘income’ means any periodic form of pay-  
3           ment due to an individual, regardless of source, including  
4           wages, salaries, commissions, bonuses, worker’s compensa-  
5           tion, disability, payments pursuant to a pension or retire-  
6           ment program, and interest.”.

7           (2) CONFORMING AMENDMENTS.—

8           (A) Subsections (a)(8)(A), (a)(8)(B)(i), (b)(3)(A),  
9           (b)(3)(B), (b)(6)(A)(i), and (b)(6)(C), and (b)(7) of  
10          section 466 (42 U.S.C. 666(a)(8)(A), (a)(8)(B)(i),  
11          (b)(3)(A), (b)(3)(B), (b)(6)(A)(i), and (b)(6)(C), and  
12          (b)(7)) are each amended by striking “wages” each  
13          place such term appears and inserting “income”.

14          (B) Section 466(b)(1) (42 U.S.C. 666(b)(1)) is  
15          amended by striking “wages (as defined by the State  
16          for purposes of this section)” and inserting “income”.

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

19          **SEC. 315. LOCATOR INFORMATION FROM INTERSTATE**  
20          **NETWORKS.**

21          Section 466(a) (42 U.S.C. 666(a)) is amended by inserting  
22          after paragraph (11) the following new paragraph:

23                 “(12) LOCATOR INFORMATION FROM INTERSTATE  
24                 NETWORKS.—Procedures to ensure that all Federal and  
25                 State agencies conducting activities under this part have  
26                 access to any system used by the State to locate an individ-  
27                 ual for purposes relating to motor vehicles or law enforce-  
28                 ment.”.

29          **SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCA-**  
30          **TOR SERVICE.**

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

33                 (1) in subsection (a), by striking all that follows “sub-  
34                 section (c))” and inserting “, for the purpose of establish-  
35                 ing parentage, establishing, setting the amount of, modify-

1 ing, or enforcing child support obligations, or enforcing  
2 child custody or visitation orders—

3 “(1) information on, or facilitating the discovery of,  
4 the location of any individual—

5 “(A) who is under an obligation to pay child sup-  
6 port or provide child custody or visitation rights;

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

8 “(C) to whom such an obligation is owed,

9 including the individual’s social security number (or num-  
10 bers), most recent address, and the name, address, and em-  
11 ployer identification number of the individual’s employer;

12 “(2) information on the individual’s wages (or other  
13 income) from, and benefits of, employment (including  
14 rights to or enrollment in group health care coverage); and

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

18 (2) in subsection (b)—

19 (A) in the matter preceding paragraph (1), by  
20 striking “social security” and all that follows through  
21 “absent parent” and inserting “information described  
22 in subsection (a)”;

23 (B) in the flush paragraph at the end, by adding  
24 the following: “No information shall be disclosed to any  
25 person if the State has notified the Secretary that the  
26 State has reasonable evidence of domestic violence or  
27 child abuse and the disclosure of such information  
28 could be harmful to the custodial parent or the child  
29 of such parent. Information received or transmitted  
30 pursuant to this section shall be subject to the safe-  
31 guard provisions contained in section 454(26).”.

32 (b) AUTHORIZED PERSON FOR INFORMATION REGARDING  
33 VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is  
34 amended—

1 (1) in paragraph (1), by striking "support" and in-  
2 sserting "support or to seek to enforce orders providing  
3 child custody or visitation rights"; and

4 (2) in paragraph (2), by striking ", or any agent of  
5 such court; and" and inserting "or to issue an order  
6 against a resident parent for child custody or visitation  
7 rights, or any agent of such court;".

8 (c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL  
9 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amend-  
10 ed in the 4th sentence by inserting "in an amount which the  
11 Secretary determines to be reasonable payment for the informa-  
12 tion exchange (which amount shall not include payment for the  
13 costs of obtaining, compiling, or maintaining the information)"  
14 before the period.

15 (d) REIMBURSEMENT FOR REPORTS BY STATE AGEN-  
16 CIES.—Section 453 (42 U.S.C. 653) is amended by adding at  
17 the end the following new subsection:

18 "(g) REIMBURSEMENT FOR REPORTS BY STATE AGEN-  
19 CIES.—The Secretary may reimburse Federal and State agen-  
20 cies for the costs incurred by such entities in furnishing infor-  
21 mation requested by the Secretary under this section in an  
22 amount which the Secretary determines to be reasonable pay-  
23 ment for the information exchange (which amount shall not in-  
24 clude payment for the costs of obtaining, compiling, or main-  
25 taining the information).".

26 (e) CONFORMING AMENDMENTS.—

27 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
28 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b),  
29 663(a), 663(e), and 663(f)) are each amended by inserting  
30 "Federal" before "Parent" each place such term appears.

31 (2) Section 453 (42 U.S.C. 653) is amended in the  
32 heading by adding "FEDERAL" before "PARENT".

33 (f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as  
34 amended by subsection (d) of this section, is amended by add-  
35 ing at the end the following new subsections:

1           “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT OR-  
2    DERS.—

3           “(1) IN GENERAL.—Not later than October 1, 1998,  
4    in order to assist States in administering programs under  
5    State plans approved under this part and programs funded  
6    under part A, and for the other purposes specified in this  
7    section, the Secretary shall establish and maintain in the  
8    Federal Parent Locator Service an automated registry  
9    (which shall be known as the ‘Federal Case Registry of  
10   Child Support Orders’), which shall contain abstracts of  
11   support orders and other information described in para-  
12   graph (2) with respect to each case in each State case reg-  
13   istry maintained pursuant to section 454A(e), as furnished  
14   (and regularly updated), pursuant to section 454A(f), by  
15   State agencies administering programs under this part.

16           “(2) CASE INFORMATION.—The information referred  
17    to in paragraph (1) with respect to a case shall be such in-  
18    formation as the Secretary may specify in regulations (in-  
19    cluding the names, social security numbers or other uni-  
20    form identification numbers, and State case identification  
21    numbers) to identify the individuals who owe or are owed  
22    support (or with respect to or on behalf of whom support  
23    obligations are sought to be established), and the State or  
24    States which have the case.

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

26           “(1) IN GENERAL.—In order to assist States in ad-  
27    ministering programs under State plans approved under  
28    this part and programs funded under part A, and for the  
29    other purposes specified in this section, the Secretary shall,  
30    not later than October 1, 1997, establish and maintain in  
31    the Federal Parent Locator Service an automated directory  
32    to be known as the National Directory of New Hires, which  
33    shall contain the information supplied pursuant to section  
34    453A(g)(2).

35           “(2) ENTRY OF DATA.—Information shall be entered  
36    into the data base maintained by the National Directory of

1 New Hires within 2 business days of receipt pursuant to  
2 section 453A(g)(2).

3 “(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The  
4 Secretary of the Treasury shall have access to the informa-  
5 tion in the National Directory of New Hires for purposes  
6 of administering section 32 of the Internal Revenue Code  
7 of 1986, or the advance payment of the earned income tax  
8 credit under section 3507 of such Code, and verifying a  
9 claim with respect to employment in a tax return.

10 “(4) LIST OF MULTISTATE EMPLOYERS.—The Sec-  
11 retary shall maintain within the National Directory of New  
12 Hires a list of multistate employers that report information  
13 regarding newly hired employees pursuant to section  
14 453A(b)(1)(B), and the State which each such employer  
15 has designated to receive such information.

16 “(j) INFORMATION COMPARISONS AND OTHER DISCLO-  
17 SURES.—

18 “(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRA-  
19 TION.—

20 “(A) IN GENERAL.—The Secretary shall transmit  
21 information on individuals and employers maintained  
22 under this section to the Social Security Administration  
23 to the extent necessary for verification in accordance  
24 with subparagraph (B).

25 “(B) VERIFICATION BY SSA.—The Social Security  
26 Administration shall verify the accuracy of, correct, or  
27 supply to the extent possible, and report to the Sec-  
28 retary, the following information supplied by the Sec-  
29 retary pursuant to subparagraph (A):

30 “(i) The name, social security number, and  
31 birth date of each such individual.

32 “(ii) The employer identification number of  
33 each such employer.

34 “(2) INFORMATION COMPARISONS.—For the purpose  
35 of locating individuals in a paternity establishment case or

1 a case involving the establishment, modification, or enforce-  
2 ment of a support order, the Secretary shall—

3 “(A) compare information in the National Direc-  
4 tory of New Hires against information in the support  
5 case abstracts in the Federal Case Registry of Child  
6 Support Orders not less often than every 2 business  
7 days; and

8 “(B) within 2 business days after such a compari-  
9 son reveals a match with respect to an individual, re-  
10 port the information to the State agency responsible for  
11 the case.

12 “(3) INFORMATION COMPARISONS AND DISCLOSURES  
13 OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PRO-  
14 GRAM PURPOSES.—To the extent and with the frequency  
15 that the Secretary determines to be effective in assisting  
16 States to carry out their responsibilities under programs  
17 operated under this part and programs funded under part  
18 A, the Secretary shall—

19 “(A) compare the information in each component  
20 of the Federal Parent Locator Service maintained  
21 under this section against the information in each other  
22 such component (other than the comparison required  
23 by paragraph (2)), and report instances in which such  
24 a comparison reveals a match with respect to an indi-  
25 vidual to State agencies operating such programs; and

26 “(B) disclose information in such registries to  
27 such State agencies.

28 “(4) PROVISION OF NEW HIRE INFORMATION TO THE  
29 SOCIAL SECURITY ADMINISTRATION.—The National Direc-  
30 tory of New Hires shall provide the Commissioner of Social  
31 Security with all information in the National Directory.

32 “(5) RESEARCH.—The Secretary may provide access  
33 to information reported by employers pursuant to section  
34 453A(b) for research purposes found by the Secretary to  
35 be likely to contribute to achieving the purposes of part A  
36 or this part, but without personal identifiers.

1           “(k) FEES.—

2           “(1) FOR SSA VERIFICATION.—The Secretary shall re-  
3           imburse the Commissioner of Social Security, at a rate ne-  
4           gotiated between the Secretary and the Commissioner, for  
5           the costs incurred by the Commissioner in performing the  
6           verification services described in subsection (j).

7           “(2) FOR INFORMATION FROM STATE DIRECTORIES OF  
8           NEW HIRES.—The Secretary shall reimburse costs incurred  
9           by State directories of new hires in furnishing information  
10          as required by subsection (j)(3), at rates which the Sec-  
11          retary determines to be reasonable (which rates shall not  
12          include payment for the costs of obtaining, compiling, or  
13          maintaining such information).

14          “(3) FOR INFORMATION FURNISHED TO STATE AND  
15          FEDERAL AGENCIES.—A State or Federal agency that re-  
16          ceives information from the Secretary pursuant to this sec-  
17          tion shall reimburse the Secretary for costs incurred by the  
18          Secretary in furnishing the information, at rates which the  
19          Secretary determines to be reasonable (which rates shall in-  
20          clude payment for the costs of obtaining; verifying, main-  
21          taining, and comparing the information).

22          “(l) RESTRICTION ON DISCLOSURE AND USE.—Informa-  
23          tion in the Federal Parent Locator Service, and information re-  
24          sulting from comparisons using such information, shall not be  
25          used or disclosed except as expressly provided in this section,  
26          subject to section 6103 of the Internal Revenue Code of 1986.

27          “(m) INFORMATION INTEGRITY AND SECURITY.—The Sec-  
28          retary shall establish and implement safeguards with respect to  
29          the entities established under this section designed to—

30                  “(1) ensure the accuracy and completeness of informa-  
31                  tion in the Federal Parent Locator Service; and

32                  “(2) restrict access to confidential information in the  
33                  Federal Parent Locator Service to authorized persons, and  
34                  restrict use of such information to authorized purposes.

35          “(n) FEDERAL GOVERNMENT REPORTING.—Each depart-  
36          ment, agency, and instrumentality of the United States shall on

1 a quarterly basis report to the Federal Parent Locator Service  
2 the name and social security number of each employee and the  
3 wages paid to the employee during the previous quarter, except  
4 that such a report shall not be filed with respect to an em-  
5 ployee of a department, agency, or instrumentality performing  
6 intelligence or counterintelligence functions, if the head of such  
7 department, agency, or instrumentality has determined that fil-  
8 ing such a report could endanger the safety of the employee or  
9 compromise an ongoing investigation or intelligence mission.”.

10 (g) CONFORMING AMENDMENTS.—

11 (1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY  
12 ACT.—

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

15 “(B) the Federal Parent Locator Service estab-  
16 lished under section 453;”.

17 (B) Section 454(13) (42 U.S.C. 654(13)) is  
18 amended by inserting “and provide that information re-  
19 quests by parents who are residents of other States be  
20 treated with the same priority as requests by parents  
21 who are residents of the State submitting the plan” be-  
22 fore the semicolon.

23 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section  
24 3304(a)(16) of the Internal Revenue Code of 1986 is  
25 amended—

26 (A) by striking “Secretary of Health, Education,  
27 and Welfare” each place such term appears and insert-  
28 ing “Secretary of Health and Human Services”;

29 (B) in subparagraph (B), by striking “such infor-  
30 mation” and all that follows and inserting “information  
31 furnished under subparagraph (A) or (B) is used only  
32 for the purposes authorized under such subpara-  
33 graph;”;

34 (C) by striking “and” at the end of subparagraph  
35 (A);

1 (D) by redesignating subparagraph (B) as sub-  
2 paragraph (C); and

3 (E) by inserting after subparagraph (A) the fol-  
4 lowing new subparagraph:

5 “(B) wage and unemployment compensation informa-  
6 tion contained in the records of such agency shall be fur-  
7 nished to the Secretary of Health and Human Services (in  
8 accordance with regulations promulgated by such Sec-  
9 retary) as necessary for the purposes of the National Direc-  
10 tory of New Hires established under section 453(i) of the  
11 Social Security Act, and”.

12 (3) TO STATE GRANT PROGRAM UNDER TITLE III OF  
13 THE SOCIAL SECURITY ACT.—Subsection (h) of section 303  
14 (42 U.S.C. 503) is amended to read as follows:

15 “(h)(1) The State agency charged with the administration  
16 of the State law shall, on a reimbursable basis—

17 “(A) disclose quarterly, to the Secretary of Health and  
18 Human Services, wage and claim information, as required  
19 pursuant to section 453(i)(1), contained in the records of  
20 such agency;

21 “(B) ensure that information provided pursuant to  
22 subparagraph (A) meets such standards relating to correct-  
23 ness and verification as the Secretary of Health and  
24 Human Services, with the concurrence of the Secretary of  
25 Labor, may find necessary; and

26 “(C) establish such safeguards as the Secretary of  
27 Labor determines are necessary to insure that information  
28 disclosed under subparagraph (A) is used only for purposes  
29 of section 453(i)(1) in carrying out the child support en-  
30 forcement program under title IV.

31 “(2) Whenever the Secretary of Labor, after reasonable  
32 notice and opportunity for hearing to the State agency charged  
33 with the administration of the State law, finds that there is a  
34 failure to comply substantially with the requirements of para-  
35 graph (1), the Secretary of Labor shall notify such State agen-  
36 cy that further payments will not be made to the State until

1 the Secretary of Labor is satisfied that there is no longer any  
2 such failure. Until the Secretary of Labor is so satisfied, the  
3 Secretary shall make no future certification to the Secretary of  
4 the Treasury with respect to the State.

5 “(3) For purposes of this subsection—

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

11 “(B) the term ‘claim information’ means information  
12 regarding whether an individual is receiving, has received,  
13 or has made application for, unemployment compensation,  
14 the amount of any such compensation being received (or to  
15 be received by such individual), and the individual’s current  
16 (or most recent) home address.”.

17 (4) DISCLOSURE OF CERTAIN INFORMATION TO  
18 AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

19 (A) IN GENERAL.—Paragraph (6) of section  
20 6103(l) of the Internal Revenue Code of 1986 (relating  
21 to disclosure of return information to Federal, State,  
22 and local child support enforcement agencies) is  
23 amended by redesignating subparagraph (B) as sub-  
24 paragraph (C) and by inserting after subparagraph (A)  
25 the following new subparagraph:

26 “(B) DISCLOSURE TO CERTAIN AGENTS.—The fol-  
27 lowing information disclosed to any child support en-  
28 forcement agency under subparagraph (A) with respect  
29 to any individual with respect to whom child support  
30 obligations are sought to be established or enforced  
31 may be disclosed by such agency to any agent of such  
32 agency which is under contract with such agency to  
33 carry out the purposes described in subparagraph (C):

34 “(i) The address and social security account  
35 number (or numbers) of such individual.

1           “(ii) The amount of any reduction under sec-  
2           tion 6402(c) (relating to offset of past-due support  
3           against overpayments) in any overpayment other-  
4           wise payable to such individual.”

5           (B) CONFORMING AMENDMENTS.—

6           (i) Paragraph (3) of section 6103(a) of such  
7           Code is amended by striking “(l)(12)” and insert-  
8           ing “paragraph (6) or (12) of subsection (l)”.

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

12          “(C) RESTRICTION ON DISCLOSURE.—Information  
13          may be disclosed under this paragraph only for pur-  
14          poses of, and to the extent necessary in, establishing  
15          and collecting child support obligations from, and locat-  
16          ing, individuals owing such obligations.”

17          (iii) The material following subparagraph (F)  
18          of section 6103(p)(4) of such Code is amended by  
19          striking “subsection (l)(12)(B)” and inserting  
20          “paragraph (6)(A) or (12)(B) of subsection (l)”.

21          (h) REQUIREMENT FOR COOPERATION.—The Secretary of  
22          Labor and the Secretary of Health and Human Services shall  
23          work jointly to develop cost-effective and efficient methods of  
24          accessing the information in the various State directories of  
25          new hires and the National Directory of New Hires as estab-  
26          lished pursuant to the amendments made by this subtitle. In  
27          developing these methods the Secretaries shall take into ac-  
28          count the impact, including costs, on the States, and shall also  
29          consider the need to insure the proper and authorized use of  
30          wage record information.

31          **SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY**  
32                                    **NUMBERS FOR USE IN CHILD SUPPORT EN-**  
33                                    **FORCEMENT.**

34          Section 466(a) (42 U.S.C. 666(a)), as amended by section  
35          315 of this Act, is amended by inserting after paragraph (12)  
36          the following new paragraph:

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

4           “(A) any applicant for a professional license, com-  
5 mercial driver’s license, occupational license, or mar-  
6 riage license be recorded on the application;

7           “(B) any individual who is subject to a divorce de-  
8 cree, support order, or paternity determination or ac-  
9 knowledgment be placed in the records relating to the  
10 matter; and

11           “(C) any individual who has died be placed in the  
12 records relating to the death and be recorded on the  
13 death certificate.

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

## 17           **Subtitle C—Streamlining and** 18           **Uniformity of Procedures**

### 19           **SEC. 321. ADOPTION OF UNIFORM STATE LAWS.**

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

22           “(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—In  
23 order to satisfy section 454(20)(A), on and after January 1,  
24 1998, each State must have in effect the Uniform Interstate  
25 Family Support Act, as approved by the American Bar Asso-  
26 ciation on February 9, 1993, together with any amendments of-  
27 ficially adopted before January 1, 1998 by the National Con-  
28 ference of Commissioners on Uniform State Laws.”.

### 29           **SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT** 30           **FOR CHILD SUPPORT ORDERS.**

31           Section 1738B of title 28, United States Code, is amend-  
32 ed—

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

35           (2) in subsection (b), by inserting after the 2nd undes-  
36 ignated paragraph the following:

1           “‘child’s home State’ means the State in which a child  
2 lived with a parent or a person acting as parent for at least  
3 6 consecutive months immediately preceding the time of filing  
4 of a petition or comparable pleading for support and, if a child  
5 is less than 6 months old, the State in which the child lived  
6 from birth with any of them. A period of temporary absence  
7 of any of them is counted as part of the 6-month period.”;

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

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

12           (5) in subsection (d)—

13           (A) by inserting “individual” before “contestant”;

14           and

15           (B) by striking “subsection (e)” and inserting  
16 “subsections (e) and (f)”;

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

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

22           (8) in subsection (e)(2)—

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

25           (B) by striking “to that court’s making the modi-  
26 fication and assuming” and inserting “with the State  
27 of continuing, exclusive jurisdiction for a court of an-  
28 other State to modify the order and assume”;

29           (9) by redesignating subsections (f) and (g) as sub-  
30 sections (g) and (h), respectively;

31           (10) by inserting after subsection (e) the following new  
32 subsection:

33           “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or  
34 more child support orders have been issued with regard to an  
35 obligor and a child, a court shall apply the following rules in

1 determining which order to recognize for purposes of continu-  
2 ing, exclusive jurisdiction and enforcement:

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

5       “(2) If 2 or more courts have issued child support or-  
6 ders for the same obligor and child, and only 1 of the  
7 courts would have continuing, exclusive jurisdiction under  
8 this section, the order of that court must be recognized.

9       “(3) If 2 or more courts have issued child support or-  
10 ders for the same obligor and child, and more than 1 of  
11 the courts would have continuing, exclusive jurisdiction  
12 under this section, an order issued by a court in the cur-  
13 rent home State of the child must be recognized, but if an  
14 order has not been issued in the current home State of the  
15 child, the order most recently issued must be recognized.

16       “(4) If 2 or more courts have issued child support or-  
17 ders for the same obligor and child, and none of the courts  
18 would have continuing, exclusive jurisdiction under this sec-  
19 tion, a court may issue a child support order, which must  
20 be recognized.

21       “(5) The court that has issued an order recognized  
22 under this subsection is the court having continuing, exclu-  
23 sive jurisdiction.”;

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

25           (A) by striking “PRIOR” and inserting “MODI-  
26 FIED”; and

27           (B) by striking “subsection (e)” and inserting  
28 “subsections (e) and (f)”;

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

30           (A) in paragraph (2), by inserting “including the  
31 duration of current payments and other obligations of  
32 support” before the comma; and

33           (B) in paragraph (3), by inserting “arrear under”  
34 after “enforce”; and

35       (13) by adding at the end the following new sub-  
36 section:

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

7       SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTER-  
8           STATE CASES.

9           Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
10 tions 315 and 317 of this Act, is amended by inserting after  
11 paragraph (13) the following new paragraph:

12           “(14) ADMINISTRATIVE ENFORCEMENT IN INTER-  
13           STATE CASES.—Procedures under which—

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

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

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

23           “(i) shall include such information as will en-  
24 able the State to which the request is transmitted  
25 to compare the information about the case to the  
26 information in the data bases of the State; and

27           “(ii) shall constitute a certification by the re-  
28 questing State—

29           “(I) of the amount of support under the  
30 order the payment of which is in arrears; and

31           “(II) that the requesting State has com-  
32 plied with all procedural due process require-  
33 ments applicable to the case;

34           “(C) if the State provides assistance to another  
35 State pursuant to this paragraph with respect to a

1 case, neither State shall consider the case to be trans-  
2 ferred to the caseload of such other State; and

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

4 “(i) the number of such requests for assist-  
5 ance received by the State;

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

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

9 **SEC. 324. USE OF FORMS IN INTERSTATE ENFORCE-**  
10 **MENT.**

11 (a) **PROMULGATION.**—Section 452(a) (42 U.S.C. 652(a))  
12 is amended—

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

14 (2) by striking the period at the end of paragraph (10)  
15 (as amended by section 346(a) of this Act) and inserting  
16 “; and”; and

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

18 “(11) not later than October 1, 1996, after consulting  
19 with the State directors of programs under this part, pro-  
20 mulgate forms to be used by States in interstate cases  
21 for—

22 “(A) collection of child support through income  
23 withholding;

24 “(B) imposition of liens; and

25 “(C) administrative subpoenas.”.

26 (b) **USE BY STATES.**—Section 454(9) (42 U.S.C. 654(9))  
27 is amended—

28 (1) by striking “and” at the end of subparagraph (C);

29 (2) by inserting “and” at the end of subparagraph  
30 (D); and

31 (3) by adding at the end the following new subpara-  
32 graph:

33 “(E) not later than March 1, 1997, in using the  
34 forms promulgated pursuant to section 452(a)(11) for  
35 income withholding, imposition of liens, and issuance of

1 administrative subpoenas in interstate child support  
2 cases;”.

3 SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCE-  
4 DURES.

5 (a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C.  
6 666), as amended by section 314 of this Act, is amended—

7 (1) in subsection (a)(2), by striking the first sentence  
8 and inserting the following: “Expedited administrative and  
9 judicial procedures (including the procedures specified in  
10 subsection (c)) for establishing paternity and for establish-  
11 ing, modifying, and enforcing support obligations.”; and

12 (2) by inserting after subsection (b) the following new  
13 subsection:

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

16 “(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—  
17 Procedures which give the State agency the authority to  
18 take the following actions relating to establishment of pa-  
19 ternity or to establishment, modification, or enforcement of  
20 support orders, without the necessity of obtaining an order  
21 from any other judicial or administrative tribunal, and to  
22 recognize and enforce the authority of State agencies of  
23 other States to take the following actions:

24 “(A) GENETIC TESTING.—To order genetic testing  
25 for the purpose of paternity establishment as provided  
26 in section 466(a)(5).

27 “(B) FINANCIAL OR OTHER INFORMATION.—To  
28 subpoena any financial or other information needed to  
29 establish, modify, or enforce a support order, and to  
30 impose penalties for failure to respond to such a sub-  
31 poena.

32 “(C) RESPONSE TO STATE AGENCY REQUEST.—To  
33 require all entities in the State (including for-profit,  
34 nonprofit, and governmental employers) to provide  
35 promptly, in response to a request by the State agency  
36 of that or any other State administering a program

1 under this part, information on the employment, com-  
2 pensation, and benefits of any individual employed by  
3 such entity as an employee or contractor, and to sanc-  
4 tion failure to respond to any such request.

5 "(D) ACCESS TO INFORMATION CONTAINED IN  
6 CERTAIN RECORDS.—To obtain access, subject to safe-  
7 guards on privacy and information security, and sub-  
8 ject to the nonliability of entities that afford such ac-  
9 cess under this subparagraph, to information contained  
10 in the following records (including automated access, in  
11 the case of records maintained in automated data  
12 bases):

13 "(i) Records of other State and local govern-  
14 ment agencies, including—

15 "(I) vital statistics (including records of  
16 marriage, birth, and divorce);

17 "(II) State and local tax and revenue  
18 records (including information on residence ad-  
19 dress, employer, income and assets);

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

22 "(IV) records of occupational and profes-  
23 sional licenses, and records concerning the own-  
24 ership and control of corporations, partner-  
25 ships, and other business entities;

26 "(V) employment security records;

27 "(VI) records of agencies administering  
28 public assistance programs;

29 "(VII) records of the motor vehicle depart-  
30 ment; and

31 "(VIII) corrections records.

32 "(ii) Certain records held by private entities  
33 with respect to individuals who owe or are owed  
34 support (or against or with respect to whom a sup-  
35 port obligation is sought), consisting of—

1           “(I) the names and addresses of such indi-  
2           viduals and the names and addresses of the  
3           employers of such individuals, as appearing in  
4           customer records of public utilities and cable  
5           television companies, pursuant to an adminis-  
6           trative subpoena authorized by subparagraph  
7           (B); and

8           “(II) information (including information  
9           on assets and liabilities) on such individuals  
10          held by financial institutions.

11          “(E) CHANGE IN PAYEE.—In cases in which sup-  
12          port is subject to an assignment in order to comply  
13          with a requirement imposed pursuant to part A or sec-  
14          tion 1912, or to a requirement to pay through the  
15          State disbursement unit established pursuant to section  
16          454B, upon providing notice to obligor and obligee, to  
17          direct the obligor or other payor to change the payee  
18          to the appropriate government entity.

19          “(F) INCOME WITHHOLDING.—To order income  
20          withholding in accordance with subsections (a)(1)(A)  
21          and (b) of section 466.

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

25                 “(i) intercepting or seizing periodic or lump-  
26                 sum payments from—

27                         “(I) a State or local agency, including un-  
28                         employment compensation, workers’ compensa-  
29                         tion, and other benefits; and

30                         “(II) judgments, settlements, and lotteries;  
31                         “(ii) attaching and seizing assets of the obligor  
32                         held in financial institutions;

33                         “(iii) attaching public and private retirement  
34                         funds; and

1           “(iv) imposing liens in accordance with sub-  
2           section (a)(4) and, in appropriate cases, to force  
3           sale of property and distribution of proceeds.

4           “(H) INCREASE MONTHLY PAYMENTS.—For the  
5           purpose of securing overdue support, to increase the  
6           amount of monthly support payments to include  
7           amounts for arrearages, subject to such conditions or  
8           limitations as the State may provide.

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

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

19               “(A) LOCATOR INFORMATION; PRESUMPTIONS  
20               CONCERNING NOTICE.—Procedures under which—

21                   “(i) each party to any paternity or child sup-  
22                   port proceeding is required (subject to privacy safe-  
23                   guards) to file with the tribunal and the State case  
24                   registry upon entry of an order, and to update as  
25                   appropriate, information on location and identity of  
26                   the party, including social security number, resi-  
27                   dential and mailing addresses, telephone number,  
28                   driver’s license number, and name, address, and  
29                   telephone number of employer; and

30                   “(ii) in any subsequent child support enforce-  
31                   ment action between the parties, upon sufficient  
32                   showing that diligent effort has been made to as-  
33                   certain the location of such a party, the tribunal  
34                   may deem State due process requirements for no-  
35                   tice and service of process to be met with respect  
36                   to the party, upon delivery of written notice to the

1           most recent residential or employer address filed  
2           with the tribunal pursuant to clause (i).

3           “(B) STATEWIDE JURISDICTION.—Procedures  
4           under which—

5                   “(i) the State agency and any administrative  
6                   or judicial tribunal with authority to hear child  
7                   support and paternity cases exerts statewide juris-  
8                   diction over the parties; and

9                   “(ii) in a State in which orders are issued by  
10                   courts or administrative tribunals, a case may be  
11                   transferred between local jurisdictions in the State  
12                   without need for any additional filing by the peti-  
13                   tioner, or service of process upon the respondent,  
14                   to retain jurisdiction over the parties.

15           “(3) COORDINATION WITH ERISA.—Notwithstanding  
16           subsection (d) of section 514 of the Employee Retirement  
17           Income Security Act of 1974 (relating to effect on other  
18           laws), nothing in this subsection shall be construed to alter,  
19           amend, modify, invalidate, impair, or supersede subsections  
20           (a), (b), and (c) of such section 514 as it applies with re-  
21           spect to any procedure referred to in paragraph (1) and  
22           any expedited procedure referred to in paragraph (2), ex-  
23           cept to the extent that such procedure would be consistent  
24           with the requirements of section 206(d)(3) of such Act (re-  
25           lating to qualified domestic relations orders) or the require-  
26           ments of section 609(a) of such Act (relating to qualified  
27           medical child support orders) if the reference in such sec-  
28           tion 206(d)(3) to a domestic relations order and the ref-  
29           erence in such section 609(a) to a medical child support  
30           order were a reference to a support order referred to in  
31           paragraphs (1) and (2) relating to the same matters, re-  
32           spectively.”.

33           (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Sec-  
34           tion 454A, as added by section 344(a)(2) and as amended by  
35           sections 311 and 312(e) of this Act, is amended by adding at  
36           the end the following new subsection:

1           “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The  
2 automated system required by this section shall be used, to the  
3 maximum extent feasible, to implement the expedited adminis-  
4 trative procedures required by section 466(c).”.

## 5           **Subtitle D—Paternity Establishment**

### 6           **SEC. 331. STATE LAWS CONCERNING PATERNITY ESTAB-** 7           **LISHMENT.**

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

10           “(5) PROCEDURES CONCERNING PATERNITY ESTAB-  
11 LISHMENT.—

12           “(A) ESTABLISHMENT PROCESS AVAILABLE FROM  
13 BIRTH UNTIL AGE 18.—

14           “(i) Procedures which permit the establish-  
15 ment of the paternity of a child at any time before  
16 the child attains 18 years of age.

17           “(ii) As of August 16, 1984, clause (i) shall  
18 also apply to a child for whom paternity has not  
19 been established or for whom a paternity action  
20 was brought but dismissed because a statute of  
21 limitations of less than 18 years was then in effect  
22 in the State.

23           “(B) PROCEDURES CONCERNING GENETIC TEST-  
24 ING.—

25           “(i) GENETIC TESTING REQUIRED IN CERTAIN  
26 CONTESTED CASES.—Procedures under which the  
27 State is required, in a contested paternity case (un-  
28 less otherwise barred by State law) to require the  
29 child and all other parties (other than individuals  
30 found under section 454(29) to have good cause  
31 and other exceptions for refusing to cooperate) to  
32 submit to genetic tests upon the request of any  
33 such party, if the request is supported by a sworn  
34 statement by the party—

1           “(I) alleging paternity, and setting forth  
2 facts establishing a reasonable possibility of the  
3 requisite sexual contact between the parties; or

4           “(II) denying paternity, and setting forth  
5 facts establishing a reasonable possibility of the  
6 nonexistence of sexual contact between the par-  
7 ties.

8           “(ii) OTHER REQUIREMENTS.—Procedures  
9 which require the State agency, in any case in  
10 which the agency orders genetic testing—

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

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

18           “(C) VOLUNTARY PATERNITY ACKNOWLEDG-  
19 MENT.—

20           “(i) SIMPLE CIVIL PROCESS.—Procedures for  
21 a simple civil process for voluntarily acknowledging  
22 paternity under which the State must provide that,  
23 before a mother and a putative father can sign an  
24 acknowledgment of paternity, the mother and the  
25 putative father must be given notice, orally and in  
26 writing, of the alternatives to, the legal con-  
27 sequences of, and the rights (including, if 1 parent  
28 is a minor, any rights afforded due to minority sta-  
29 tus) and responsibilities that arise from, signing  
30 the acknowledgment.

31           “(ii) HOSPITAL-BASED PROGRAM.—Such pro-  
32 cedures must include a hospital-based program for  
33 the voluntary acknowledgment of paternity focusing  
34 on the period immediately before or after the birth  
35 of a child.

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“(iii) PATERNITY ESTABLISHMENT SERVICES.—

“(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

“(II) REGULATIONS.—

“(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—

The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

“(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

“(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give

1 full faith and credit to such an affidavit signed in  
2 any other State according to its procedures.

3 "(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—  
4

5 "(i) INCLUSION IN BIRTH RECORDS.—Proce-  
6 dures under which the name of the father shall be  
7 included on the record of birth of the child of un-  
8 married parents only if—

9 "(I) the father and mother have signed a  
10 voluntary acknowledgment of paternity; or

11 "(II) a court or an administrative agency  
12 of competent jurisdiction has issued an adju-  
13 dication of paternity.

14 Nothing in this clause shall preclude a State agen-  
15 cy from obtaining an admission of paternity from  
16 the father for submission in a judicial or adminis-  
17 trative proceeding, or prohibit the issuance of an  
18 order in a judicial or administrative proceeding  
19 which bases a legal finding of paternity on an ad-  
20 mission of paternity by the father and any other  
21 additional showing required by State law.

22 "(ii) LEGAL FINDING OF PATERNITY.—Proce-  
23 dures under which a signed voluntary acknowledg-  
24 ment of paternity is considered a legal finding of  
25 paternity, subject to the right of any signatory to  
26 rescind the acknowledgment within the earlier of—

27 "(I) 60 days; or

28 "(II) the date of an administrative or judi-  
29 cial proceeding relating to the child (including  
30 a proceeding to establish a support order) in  
31 which the signatory is a party.

32 "(iii) CONTEST.—Procedures under which,  
33 after the 60-day period referred to in clause (ii), a  
34 signed voluntary acknowledgment of paternity may  
35 be challenged in court only on the basis of fraud,  
36 duress, or material mistake of fact, with the burden

1 of proof upon the challenger, and under which the  
2 legal responsibilities (including child support obli-  
3 gations) of any signatory arising from the acknowl-  
4 edgment may not be suspended during the chal-  
5 lenge, except for good cause shown.

6 “(E) BAR ON ACKNOWLEDGMENT RATIFICATION  
7 PROCEEDINGS.—Procedures under which judicial or ad-  
8 ministrative proceedings are not required or permitted  
9 to ratify an unchallenged acknowledgment of paternity.

10 “(F) ADMISSIBILITY OF GENETIC TESTING RE-  
11 SULTS.—Procedures—

12 “(i) requiring the admission into evidence, for  
13 purposes of establishing paternity, of the results of  
14 any genetic test that is—

15 “(I) of a type generally acknowledged as  
16 reliable by accreditation bodies designated by  
17 the Secretary; and

18 “(II) performed by a laboratory approved  
19 by such an accreditation body;

20 “(ii) requiring an objection to genetic testing  
21 results to be made in writing not later than a speci-  
22 fied number of days before any hearing at which  
23 the results may be introduced into evidence (or, at  
24 State option, not later than a specified number of  
25 days after receipt of the results); and

26 “(iii) making the test results admissible as evi-  
27 dence of paternity without the need for foundation  
28 testimony or other proof of authenticity or accu-  
29 racy, unless objection is made.

30 “(G) PRESUMPTION OF PATERNITY IN CERTAIN  
31 CASES.—Procedures which create a rebuttable or, at  
32 the option of the State, conclusive presumption of pa-  
33 ternity upon genetic testing results indicating a thresh-  
34 old probability that the alleged father is the father of  
35 the child.

1           “(H) DEFAULT ORDERS.—Procedures requiring a  
2           default order to be entered in a paternity case upon a  
3           showing of service of process on the defendant and any  
4           additional showing required by State law.

5           “(I) NO RIGHT TO JURY TRIAL.—Procedures pro-  
6           viding that the parties to an action to establish pater-  
7           nity are not entitled to a trial by jury.

8           “(J) TEMPORARY SUPPORT ORDER BASED ON  
9           PROBABLE PATERNITY IN CONTESTED CASES.—Proce-  
10          dures which require that a temporary order be issued,  
11          upon motion by a party, requiring the provision of child  
12          support pending an administrative or judicial deter-  
13          mination of parentage, if there is clear and convincing  
14          evidence of paternity (on the basis of genetic tests or  
15          other evidence).

16          “(K) PROOF OF CERTAIN SUPPORT AND PATER-  
17          NITY ESTABLISHMENT COSTS.—Procedures under  
18          which bills for pregnancy, childbirth, and genetic test-  
19          ing are admissible as evidence without requiring third-  
20          party foundation testimony, and shall constitute prima  
21          facie evidence of amounts incurred for such services or  
22          for testing on behalf of the child.

23          “(L) STANDING OF PUTATIVE FATHERS.—Proce-  
24          dures ensuring that the putative father has a reason-  
25          able opportunity to initiate a paternity action.

26          “(M) FILING OF ACKNOWLEDGMENTS AND ADJU-  
27          DICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—  
28          Procedures under which voluntary acknowledgments  
29          and adjudications of paternity by judicial or adminis-  
30          trative processes are filed with the State registry of  
31          birth records for comparison with information in the  
32          State case registry.”.

33          (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDA-  
34          VIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by  
35          inserting “, and specify the minimum requirements of an affi-  
36          davit to be used for the voluntary acknowledgment of paternity

1 which shall include the social security number of each parent  
2 and, after consultation with the States, other common elements  
3 as determined by such designee" before the semicolon.

4 (c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C.  
5 668) is amended by striking "a simple civil process for volun-  
6 tarily acknowledging paternity and".

7 SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ES-  
8 TABLISHMENT.

9 Section 454(23) (42 U.S.C. 654(23)) is amended by in-  
10 sserting "and will publicize the availability and encourage the  
11 use of procedures for voluntary establishment of paternity and  
12 child support by means the State deems appropriate" before  
13 the semicolon.

14 SEC. 333. COOPERATION BY APPLICANTS FOR AND RE-  
15 CIPIENTS OF PART A ASSISTANCE.

16 Section 454 (42 U.S.C. 654), as amended by sections  
17 301(b), 303(a), 312(a), and 313(a) of this Act, is amended—

18 (1) by striking "and" at the end of paragraph (27);

19 (2) by striking the period at the end of paragraph (28)  
20 and inserting "; and"; and

21 (3) by inserting after paragraph (28) the following  
22 new paragraph:

23 "(29) provide that the State agency responsible for ad-  
24 ministering the State plan—

25 "(A) shall make the determination (and redeter-  
26 mination at appropriate intervals) as to whether an in-  
27 dividual who has applied for or is receiving assistance  
28 under the State program funded under part A of this  
29 title or the State program under title XIX is cooperat-  
30 ing in good faith with the State in establishing the pa-  
31 ternity of, or in establishing, modifying, or enforcing a  
32 support order for, any child of the individual by provid-  
33 ing the State agency with the name of, and such other  
34 information as the State agency may require with re-  
35 spect to, the noncustodial parent of the child, subject  
36 to good cause and other exceptions which—

1                   “(i) shall be defined, taking into account the  
2                   best interests of the child, and

3                   “(ii) shall be applied in each case,  
4                   by, at the option of the State, the State agency admin-  
5                   istering the State program under part A, this part, or  
6                   title XIX;

7                   “(B) shall require the individual to supply addi-  
8                   tional necessary information and appear at interviews,  
9                   hearings, and legal proceedings;

10                  “(C) shall require the individual and the child to  
11                  submit to genetic tests pursuant to judicial or adminis-  
12                  trative order;

13                  “(D) may request that the individual sign a vol-  
14                  untary acknowledgment of paternity, after notice of the  
15                  rights and consequences of such an acknowledgment,  
16                  but may not require the individual to sign an acknowl-  
17                  edgment or otherwise relinquish the right to genetic  
18                  tests as a condition of cooperation and eligibility for as-  
19                  sistance under the State program funded under part A,  
20                  or the State program under title XIX; and

21                  “(E) shall promptly notify the individual, the  
22                  State agency administering the State program funded  
23                  under part A, and the State agency administering the  
24                  State program under title XIX, of each such deter-  
25                  mination, and if noncooperation is determined, the  
26                  basis therefor.”.

## 27                  **Subtitle E—Program Administration** 28                  **and Funding**

### 29                  **SEC. 341. PERFORMANCE-BASED INCENTIVES AND PEN-** 30                  **ALTIES.**

31                  (a) **DEVELOPMENT OF NEW SYSTEM.**—The Secretary of  
32                  Health and Human Services, in consultation with State direc-  
33                  tors of programs under part D of title IV of the Social Security  
34                  Act, shall develop a new incentive system to replace, in a reve-  
35                  nue neutral manner, the system under section 458 of such Act.  
36                  The new system shall provide additional payments to any State

1 based on such State's performance under such a program. Not  
2 later than March 1, 1997, the Secretary shall report on the  
3 new system to the Committee on Ways and Means of the  
4 House of Representatives and the Committee on Finance of the  
5 Senate.

6 (b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—  
7 Section 458 (42 U.S.C. 658) is amended—

8 (1) in subsection (a), by striking "aid to families with  
9 dependent children under a State plan approved under part  
10 A of this title" and inserting "assistance under a program  
11 funded under part A";

12 (2) in subsection (b)(1)(A), by striking "section  
13 402(a)(26)" and inserting "section 408(a)(4)";

14 (3) in subsections (b) and (c)—

15 (A) by striking "AFDC collections" each place it  
16 appears and inserting "title IV-A collections", and

17 (B) by striking "non-AFDC collections" each  
18 place it appears and inserting "non-title IV-A collec-  
19 tions"; and

20 (4) in subsection (c), by striking "combined AFDC/  
21 non-AFDC administrative costs" both places it appears and  
22 inserting "combined title IV-A/non-title IV-A administra-  
23 tive costs".

24 (c) CALCULATION OF PATERNITY ESTABLISHMENT PER-  
25 CENTAGE.—

26 (1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is  
27 amended by striking "75" and inserting "90".

28 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amend-  
29 ed—

30 (A) by redesignating subparagraphs (B) through  
31 (E) as subparagraphs (C) through (F), respectively,  
32 and by inserting after subparagraph (A) the following  
33 new subparagraph:

34 "(B) for a State with a paternity establishment per-  
35 centage of not less than 75 percent but less than 90 per-  
36 cent for such fiscal year, the paternity establishment per-

1 centage of the State for the immediately preceding fiscal  
2 year plus 2 percentage points;"; and

3 (B) by adding at the end the following new flush  
4 sentence:

5 "In determining compliance under this section, a State may use  
6 as its paternity establishment percentage either the State's IV--  
7 D paternity establishment percentage (as defined in paragraph  
8 (2)(A)) or the State's statewide paternity establishment per-  
9 centage (as defined in paragraph (2)(B)).".

10 (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amend-  
11 ed—

12 (A) in subparagraph (A)—

13 (i) in the matter preceding clause (i)—

14 (I) by striking "paternity establishment  
15 percentage" and inserting "IV-D paternity es-  
16 tablishment percentage"; and

17 (II) by striking "(or all States, as the case  
18 may be)"; and

19 (ii) by striking "and" at the end; and

20 (B) by redesignating subparagraph (B) as sub-  
21 paragraph (C) and by inserting after subparagraph (A)  
22 the following new subparagraph:

23 "(B) the term 'statewide paternity establishment per-  
24 centage' means, with respect to a State for a fiscal year,  
25 the ratio (expressed as a percentage) that the total number  
26 of minor children—

27 "(i) who have been born out of wedlock, and

28 "(ii) the paternity of whom has been established or  
29 acknowledged during the fiscal year,  
30 bears to the total number of children born out of wedlock  
31 during the preceding fiscal year; and".

32 (4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amend-  
33 ed—

34 (A) by striking subparagraph (A) and redesignat-  
35 ing subparagraphs (B) and (C) as subparagraphs (A)  
36 and (B), respectively; and

1 (B) in subparagraph (A) (as so redesignated), by  
2 striking "the percentage of children born out-of-wed-  
3 lock in a State" and inserting "the percentage of chil-  
4 dren in a State who are born out of wedlock or for  
5 whom support has not been established".

6 (d) EFFECTIVE DATES.—

7 (1) INCENTIVE ADJUSTMENTS.—

8 (A) IN GENERAL.—The system developed under  
9 subsection (a) and the amendments made by subsection  
10 (b) shall become effective on October 1, 1999, except  
11 to the extent provided in subparagraph (B).

12 (B) APPLICATION OF SECTION 458.—Section 458  
13 of the Social Security Act, as in effect on the day be-  
14 fore the date of the enactment of this section, shall be  
15 effective for purposes of incentive payments to States  
16 for fiscal years before fiscal year 2000.

17 (2) PENALTY REDUCTIONS.—The amendments made  
18 by subsection (c) shall become effective with respect to cal-  
19 endar quarters beginning on or after the date of the enact-  
20 ment of this Act.

21 SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.

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

24 (1) in paragraph (14), by striking "(14)" and insert-  
25 ing "(14)(A)";

26 (2) by redesignating paragraph (15) as subparagraph  
27 (B) of paragraph (14); and

28 (3) by inserting after paragraph (14) the following  
29 new paragraph:

30 "(15) provide for—

31 "(A) a process for annual reviews of and reports  
32 to the Secretary on the State program operated under  
33 the State plan approved under this part, including such  
34 information as may be necessary to measure State com-  
35 pliance with Federal requirements for expedited proce-  
36 dures, using such standards and procedures as are re-

1           quired by the Secretary, under which the State agency  
2           will determine the extent to which the program is oper-  
3           ated in compliance with this part; and

4           “(B) a process of extracting from the automated  
5           data processing system required by paragraph (16) and  
6           transmitting to the Secretary data and calculations  
7           concerning the levels of accomplishment (and rates of  
8           improvement) with respect to applicable performance  
9           indicators (including paternity establishment percent-  
10          ages) to the extent necessary for purposes of sections  
11          452(g) and 458;”.

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

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

19          “(B) review annual reports submitted pursuant to sec-  
20          tion 454(15)(A) and, as appropriate, provide to the State  
21          comments, recommendations for additional or alternative  
22          corrective actions, and technical assistance; and

23          “(C) conduct audits, in accordance with the Govern-  
24          ment auditing standards of the Comptroller General of the  
25          United States—

26          “(i) at least once every 3 years (or more fre-  
27          quently, in the case of a State which fails to meet the  
28          requirements of this part concerning performance  
29          standards and reliability of program data) to assess the  
30          completeness, reliability, and security of the data and  
31          the accuracy of the reporting systems used in calculat-  
32          ing performance indicators under subsection (g) of this  
33          section and section 458;

34          “(ii) of the adequacy of financial management of  
35          the State program operated under the State plan ap-  
36          proved under this part, including assessments of—

1           “(I) whether Federal and other funds made  
2 available to carry out the State program are being  
3 appropriately expended, and are properly and fully  
4 accounted for; and

5           “(II) whether collections and disbursements of  
6 support payments are carried out correctly and are  
7 fully accounted for; and

8           “(iii) for such other purposes as the Secretary  
9 may find necessary;”.

10       (c) EFFECTIVE DATE.—The amendments made by this  
11 section shall be effective with respect to calendar quarters be-  
12 ginning 12 months or more after the date of the enactment of  
13 this Act.

14 **SEC. 343. REQUIRED REPORTING PROCEDURES.**

15       (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.  
16 652(a)(5)) is amended by inserting “, and establish procedures  
17 to be followed by States for collecting and reporting informa-  
18 tion required to be provided under this part, and establish uni-  
19 form definitions (including those necessary to enable the meas-  
20 urement of State compliance with the requirements of this part  
21 relating to expedited processes) to be applied in following such  
22 procedures” before the semicolon.

23       (b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C.  
24 654), as amended by sections 301(b), 303(a), 312(a), 313(a),  
25 and 333 of this Act, is amended—

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

27           (2) by striking the period at the end of paragraph (29)

28           and inserting “; and”; and

29           (3) by adding after paragraph (29) the following new  
30 paragraph:

31           “(30) provide that the State shall use the definitions  
32 established under section 452(a)(5) in collecting and re-  
33 porting information as required under this part.”.

34 **SEC. 344. AUTOMATED DATA PROCESSING REQUIRE-**  
35 **MENTS.**

36       (a) REVISED REQUIREMENTS.—

1 (1) IN GENERAL.—Section 454(16) (42 U.S.C.  
2 654(16)) is amended—

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

4 (B) by inserting “and operation by the State agen-  
5 cy” after “for the establishment”;

6 (C) by inserting “meeting the requirements of sec-  
7 tion 454A” after “information retrieval system”;

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

10 (E) by striking “(i)”;

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

13 (2) AUTOMATED DATA PROCESSING.—Part D of title  
14 IV (42 U.S.C. 651–669) is amended by inserting after sec-  
15 tion 454 the following new section:

16 “SEC. 454A. AUTOMATED DATA PROCESSING.

17 “(a) IN GENERAL.—In order for a State to meet the re-  
18 quirements of this section, the State agency administering the  
19 State program under this part shall have in operation a single  
20 statewide automated data processing and information retrieval  
21 system which has the capability to perform the tasks specified  
22 in this section with the frequency and in the manner required  
23 by or under this part.

24 “(b) PROGRAM MANAGEMENT.—The automated system re-  
25 quired by this section shall perform such functions as the Sec-  
26 retary may specify relating to management of the State pro-  
27 gram under this part, including—

28 “(1) controlling and accounting for use of Federal,  
29 State, and local funds in carrying out the program; and

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

32 “(c) CALCULATION OF PERFORMANCE INDICATORS.—In  
33 order to enable the Secretary to determine the incentive pay-  
34 ments and penalty adjustments required by sections 452(g) and  
35 458, the State agency shall—

36 “(1) use the automated system—

1           “(A) to maintain the requisite data on State per-  
2           formance with respect to paternity establishment and  
3           child support enforcement in the State; and

4           “(B) to calculate the paternity establishment per-  
5           centage for the State for each fiscal year; and

6           “(2) have in place systems controls to ensure the com-  
7           pleteness and reliability of, and ready access to, the data  
8           described in paragraph (1)(A), and the accuracy of the cal-  
9           culations described in paragraph (1)(B).

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

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

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

22                 “(B) specify the data which may be used for par-  
23                 ticular program purposes, and the personnel permitted  
24                 access to such data.

25          “(2) SYSTEMS CONTROLS.—Systems controls (such as  
26          passwords or blocking of fields) to ensure strict adherence  
27          to the policies described in paragraph (1).

28          “(3) MONITORING OF ACCESS.—Routine monitoring of  
29          access to and use of the automated system, through meth-  
30          ods such as audit trails and feedback mechanisms, to guard  
31          against and promptly identify unauthorized access or use.

32          “(4) TRAINING AND INFORMATION.—Procedures to  
33          ensure that all personnel (including State and local agency  
34          staff and contractors) who may have access to or be re-  
35          quired to use confidential program data are informed of ap-  
36          plicable requirements and penalties (including those in sec-

1 tion 6103 of the Internal Revenue Code of 1986), and are  
2 adequately trained in security procedures.

3 “(5) PENALTIES.—Administrative penalties (up to and  
4 including dismissal from employment) for unauthorized ac-  
5 cess to, or disclosure or use of, confidential data.”

6 (3) REGULATIONS.—The Secretary of Health and  
7 Human Services shall prescribe final regulations for imple-  
8 mentation of section 454A of the Social Security Act not  
9 later than 2 years after the date of the enactment of this  
10 Act.

11 (4) IMPLEMENTATION TIMETABLE.—Section 454(24)  
12 (42 U.S.C. 654(24)), as amended by section 303(a)(1) of  
13 this Act, is amended to read as follows:

14 “(24) provide that the State will have in effect an  
15 automated data processing and information retrieval sys-  
16 tem—

17 “(A) by October 1, 1997, which meets all require-  
18 ments of this part which were enacted on or before the  
19 date of enactment of the Family Support Act of 1988,  
20 and

21 “(B) by October 1, 2000, which meets all require-  
22 ments of this part enacted on or before the date of the  
23 enactment of the Personal Responsibility and Work Op-  
24 portunity Act of 1996, except that such deadline shall  
25 be extended by 1 day for each day (if any) by which  
26 the Secretary fails to meet the deadline imposed by sec-  
27 tion 344(a)(3) of the Personal Responsibility and Work  
28 Opportunity Reconciliation Act of 1996;”

29 (b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOP-  
30 MENT COSTS OF AUTOMATED SYSTEMS.—

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

33 (A) in paragraph (1)(B)—

34 (i) by striking “90 percent” and inserting “the  
35 percent specified in paragraph (3)”;

36 (ii) by striking “so much of”; and

1 (iii) by striking "which the Secretary" and all  
2 that follows and inserting ", and"; and

3 (B) by adding at the end the following new para-  
4 graph:

5 "(3)(A) The Secretary shall pay to each State, for each  
6 quarter in fiscal years 1996 and 1997, 90 percent of so much  
7 of the State expenditures described in paragraph (1)(B) as the  
8 Secretary finds are for a system meeting the requirements  
9 specified in section 454(16) (as in effect on September 30,  
10 1995) but limited to the amount approved for States in the ad-  
11 vance planning documents of such States submitted on or be-  
12 fore September 30, 1995.

13 "(B)(i) The Secretary shall pay to each State, for each  
14 quarter in fiscal years 1996 through 2001, the percentage spec-  
15 ified in clause (ii) of so much of the State expenditures de-  
16 scribed in paragraph (1)(B) as the Secretary finds are for a  
17 system meeting the requirements of sections 454(16) and  
18 454A.

19 "(ii) The percentage specified in this clause is 80 per-  
20 cent."

21 (2) TEMPORARY LIMITATION ON PAYMENTS UNDER  
22 SPECIAL FEDERAL MATCHING RATE.—

23 (A) IN GENERAL.—The Secretary of Health and  
24 Human Services may not pay more than \$400,000,000  
25 in the aggregate under section 455(a)(3)(B) of the So-  
26 cial Security Act for fiscal years 1996 through 2001.

27 (B) ALLOCATION OF LIMITATION AMONG  
28 STATES.—The total amount payable to a State under  
29 section 455(a)(3)(B) of such Act for fiscal years 1996  
30 through 2001 shall not exceed the limitation deter-  
31 mined for the State by the Secretary of Health and  
32 Human Services in regulations.

33 (C) ALLOCATION FORMULA.—The regulations re-  
34 ferred to in subparagraph (B) shall prescribe a formula  
35 for allocating the amount specified in subparagraph (A)  
36 among States with plans approved under part D of title

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

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

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

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

11 SEC. 345. TECHNICAL ASSISTANCE.

12 (a) FOR TRAINING OF FEDERAL AND STATE STAFF, RE-  
13 SEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL  
14 PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Sec-  
15 tion 452 (42 U.S.C. 652) is amended by adding at the end the  
16 following new subsection:

17 “(j) Out of any money in the Treasury of the United  
18 States not otherwise appropriated, there is hereby appropriated  
19 to the Secretary for each fiscal year an amount equal to 1 per-  
20 cent of the total amount paid to the Federal Government pur-  
21 suant to section 457(a) during the immediately preceding fiscal  
22 year (as determined on the basis of the most recent reliable  
23 data available to the Secretary as of the end of the 3rd cal-  
24 endar quarter following the end of such preceding fiscal year),  
25 to cover costs incurred by the Secretary for—

26 “(1) information dissemination and technical assist-  
27 ance to States, training of State and Federal staff, staffing  
28 studies, and related activities needed to improve programs  
29 under this part (including technical assistance concerning  
30 State automated systems required by this part); and

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

34 The amount appropriated under this subsection shall remain  
35 available until expended.”

1 (b) OPERATION OF FEDERAL PARENT LOCATOR SERV-  
2 ICE.—Section 453 (42 U.S.C. 653), as amended by section 316  
3 of this Act, is amended by adding at the end the following new  
4 subsection:

5 “(o) RECOVERY OF COSTS.—Out of any money in the  
6 Treasury of the United States not otherwise appropriated,  
7 there is hereby appropriated to the Secretary for each fiscal  
8 year an amount equal to 2 percent of the total amount paid  
9 to the Federal Government pursuant to section 457(a) during  
10 the immediately preceding fiscal year (as determined on the  
11 basis of the most recent reliable data available to the Secretary  
12 as of the end of the 3rd calendar quarter following the end of  
13 such preceding fiscal year), to cover costs incurred by the Sec-  
14 retary for operation of the Federal Parent Locator Service  
15 under this section, to the extent such costs are not recovered  
16 through user fees.”.

17 SEC. 346. REPORTS AND DATA COLLECTION BY THE SEC-  
18 RETARY.

19 (a) ANNUAL REPORT TO CONGRESS.—

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

22 (A) by striking “this part;” and inserting “this  
23 part, including—”; and

24 (B) by adding at the end the following new  
25 clauses:

26 “(i) the total amount of child support pay-  
27 ments collected as a result of services furnished  
28 during the fiscal year to individuals receiving serv-  
29 ices under this part;

30 “(ii) the cost to the States and to the Federal  
31 Government of so furnishing the services; and

32 “(iii) the number of cases involving families—

33 “(I) who became ineligible for assistance  
34 under State programs funded under part A  
35 during a month in the fiscal year; and

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

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

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

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

9                   (ii) by striking “cases where the child was for-  
10                   merly receiving” and inserting “or formerly re-  
11                   ceived”;

12                   (iii) by inserting “or 1912” after  
13                   “471(a)(17)”; and

14                   (iv) by inserting “for” before “all other”;

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

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

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

21                   (E) by redesignating clause (v) as clause (vii), and  
22                   inserting after clause (iii) the following new clauses:

23                   “(iv) the total amount of support collected  
24                   during such fiscal year and distributed as current  
25                   support;

26                   “(v) the total amount of support collected dur-  
27                   ing such fiscal year and distributed as arrearages;

28                   “(vi) the total amount of support due and un-  
29                   paid for all fiscal years; and”.

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

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

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

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

1 (C) by inserting after subparagraph (I) the follow-  
2 ing new subparagraph:

3 "(J) compliance, by State, with the standards es-  
4 tablished pursuant to subsections (h) and (i)."

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

8 (b) EFFECTIVE DATE.—The amendments made by sub-  
9 section (a) shall be effective with respect to fiscal year 1997  
10 and succeeding fiscal years.

## 11 Subtitle F—Establishment and 12 Modification of Support Orders

### 13 SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND AD- 14 JUSTMENT OF CHILD SUPPORT ORDERS.

15 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to  
16 read as follows:

17 "(10) REVIEW AND ADJUSTMENT OF SUPPORT OR-  
18 DERS UPON REQUEST.—

19 "(A) 3-YEAR CYCLE.—

20 "(i) IN GENERAL.—Procedures under which  
21 every 3 years (or such shorter cycle as the State  
22 may determine), upon the request of either parent,  
23 or, if there is an assignment under part A, upon  
24 the request of the State agency under the State  
25 plan or of either parent, the State shall with re-  
26 spect to a support order being enforced under this  
27 part, taking into account the best interests of the  
28 child involved—

29 "(I) review and, if appropriate, adjust the  
30 order in accordance with the guidelines estab-  
31 lished pursuant to section 467(a) if the amount  
32 of the child support award under the order dif-  
33 fers from the amount that would be awarded in  
34 accordance with the guidelines;

1           “(II) apply a cost-of-living adjustment to  
2           the order in accordance with a formula devel-  
3           oped by the State; or

4           “(III) use automated methods (including  
5           automated comparisons with wage or State in-  
6           come tax data) to identify orders eligible for re-  
7           view, conduct the review, identify orders eligible  
8           for adjustment, and apply the appropriate ad-  
9           justment to the orders eligible for adjustment  
10          under any threshold that may be established by  
11          the State.

12          “(ii) OPPORTUNITY TO REQUEST REVIEW OF  
13          ADJUSTMENT.—If the State elects to conduct the  
14          review under subclause (II) or (III) of clause (i),  
15          procedures which permit either party to contest the  
16          adjustment, within 30 days after the date of the  
17          notice of the adjustment, by making a request for  
18          review and, if appropriate, adjustment of the order  
19          in accordance with the child support guidelines es-  
20          tablished pursuant to section 467(a).

21          “(iii) NO PROOF OF CHANGE IN CIR-  
22          CUMSTANCES NECESSARY IN 3-YEAR CYCLE RE-  
23          VIEW.—Procedures which provide that any adjust-  
24          ment under clause (i) shall be made without a re-  
25          quirement for proof or showing of a change in cir-  
26          cumstances.

27          “(B) PROOF OF SUBSTANTIAL CHANGE IN CIR-  
28          CUMSTANCES NECESSARY IN REQUEST FOR REVIEW  
29          OUTSIDE 3-YEAR CYCLE.—Procedures under which, in  
30          the case of a request for a review, and if appropriate,  
31          an adjustment outside the 3-year cycle (or such shorter  
32          cycle as the State may determine) under clause (i), the  
33          State shall review and, if the requesting party dem-  
34          onstrates a substantial change in circumstances, adjust  
35          the order in accordance with the guidelines established  
36          pursuant to section 467(a).

1           “(C) NOTICE OF RIGHT TO REVIEW.—Procedures  
2           which require the State to provide notice not less than  
3           once every 3 years to the parents subject to the order  
4           informing the parents of their right to request the  
5           State to review and, if appropriate, adjust the order  
6           pursuant to this paragraph. The notice may be in-  
7           cluded in the order.”.

8       SEC. 352. FURNISHING CONSUMER REPORTS FOR CER-  
9           TAIN PURPOSES RELATING TO CHILD SUP-  
10          PORT.

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

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

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

23               “(B) the paternity of the consumer for the child to  
24       which the obligation relates has been established or ac-  
25       knowledged by the consumer in accordance with State laws  
26       under which the obligation arises (if required by those  
27       laws);

28               “(C) the person has provided at least 10 days’ prior  
29       notice to the consumer whose report is requested, by cer-  
30       tified or registered mail to the last known address of the  
31       consumer, that the report will be requested; and

32               “(D) the consumer report will be kept confidential,  
33       will be used solely for a purpose described in subparagraph  
34       (A), and will not be used in connection with any other civil,  
35       administrative, or criminal proceeding, or for any other  
36       purpose.

1           “(5) To an agency administering a State plan under sec-  
2 tion 454 of the Social Security Act (42 U.S.C. 654) for use to  
3 set an initial or modified child support award.”.

4   **SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**  
5                   **PROVIDING FINANCIAL RECORDS TO STATE**  
6                   **CHILD SUPPORT ENFORCEMENT AGENCIES**  
7                   **IN CHILD SUPPORT CASES.**

8           Part D of title IV (42 U.S.C. 651-669) is amended by  
9 adding at the end the following:

10   **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITU-**  
11                   **TIONS PROVIDING FINANCIAL RECORDS TO**  
12                   **STATE CHILD SUPPORT ENFORCEMENT**  
13                   **AGENCIES IN CHILD SUPPORT CASES.**

14           “(a) **IN GENERAL.**—Notwithstanding any other provision  
15 of Federal or State law, a financial institution shall not be lia-  
16 ble under any Federal or State law to any person for disclosing  
17 any financial record of an individual to a State child support  
18 enforcement agency attempting to establish, modify, or enforce  
19 a child support obligation of such individual.

20           “(b) **PROHIBITION OF DISCLOSURE OF FINANCIAL**  
21   **RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCE-**  
22   **MENT AGENCY.**—A State child support enforcement agency  
23 which obtains a financial record of an individual from a finan-  
24 cial institution pursuant to subsection (a) may disclose such fi-  
25 nancial record only for the purpose of, and to the extent nec-  
26 essary in, establishing, modifying, or enforcing a child support  
27 obligation of such individual.

28           “(c) **CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-**  
29   **SURE.**—

30           “(1) **DISCLOSURE BY STATE OFFICER OR EM-**  
31   **PLOYEE.**—If any person knowingly, or by reason of neg-  
32 ligence, discloses a financial record of an individual in vio-  
33 lation of subsection (b), such individual may bring a civil  
34 action for damages against such person in a district court  
35 of the United States.

36           “(2) **NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS**  
37   **INTERPRETATION.**—No liability shall arise under this sub-

1 section with respect to any disclosure which results from a  
2 good faith, but erroneous, interpretation of subsection (b).

3 “(3) DAMAGES.—In any action brought under para-  
4 graph (1), upon a finding of liability on the part of the de-  
5 fendant, the defendant shall be liable to the plaintiff in an  
6 amount equal to the sum of—

7 “(A) the greater of—

8 “(i) \$1,000 for each act of unauthorized dis-  
9 closure of a financial record with respect to which  
10 such defendant is found liable; or

11 “(ii) the sum of—

12 “(I) the actual damages sustained by the  
13 plaintiff as a result of such unauthorized dis-  
14 closure; plus

15 “(II) in the case of a willful disclosure or  
16 a disclosure which is the result of gross neg-  
17 ligence, punitive damages; plus

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

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

21 “(1) FINANCIAL INSTITUTION.—The term ‘financial  
22 institution’ means—

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

26 “(B) an institution-affiliated party, as defined in  
27 section 3(u) of such Act (12 U.S.C. 1813(u));

28 “(C) any Federal credit union or State credit  
29 union, as defined in section 101 of the Federal Credit  
30 Union Act (12 U.S.C. 1752), including an institution-  
31 affiliated party of such a credit union, as defined in  
32 section 206(r) of such Act (12 U.S.C. 1786(r)); and

33 “(D) any benefit association, insurance company,  
34 safe deposit company, money-market mutual fund, or  
35 similar entity authorized to do business in the State.

1 based upon remuneration for employment) due from, or payable  
2 by, the United States or the District of Columbia (including  
3 any agency, subdivision, or instrumentality thereof) to any indi-  
4 vidual, including members of the Armed Forces of the United  
5 States, shall be subject, in like manner and to the same extent  
6 as if the United States or the District of Columbia were a pri-  
7 vate person, to withholding in accordance with State law en-  
8 acted pursuant to subsections (a)(1) and (b) of section 466 and  
9 regulations of the Secretary under such subsections, and to any  
10 other legal process brought, by a State agency administering a  
11 program under a State plan approved under this part or by an  
12 individual obligee, to enforce the legal obligation of the individ-  
13 ual to provide child support or alimony.

14       “(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRI-  
15 VATE PERSON.—With respect to notice to withhold income pur-  
16 suant to subsection (a)(1) or (b) of section 466, or any other  
17 order or process to enforce support obligations against an indi-  
18 vidual (if the order or process contains or is accompanied by  
19 sufficient data to permit prompt identification of the individual  
20 and the moneys involved), each governmental entity specified in  
21 subsection (a) shall be subject to the same requirements as  
22 would apply if the entity were a private person, except as other-  
23 wise provided in this section.

24       “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR  
25 PROCESS—

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

28       “(A) designate an agent or agents to receive or-  
29 ders and accept service of process in matters relating  
30 to child support or alimony; and

31       “(B) annually publish in the Federal Register the  
32 designation of the agent or agents, identified by title or  
33 position, mailing address, and telephone number.

34       “(2) RESPONSE TO NOTICE OR PROCESS.—If an agent  
35 designated pursuant to paragraph (1) of this subsection re-  
36 ceives notice pursuant to State procedures in effect pursu-

1 ant to subsection (a)(1) or (b) of section 466, or is effec-  
2 tively served with any order, process, or interrogatory, with  
3 respect to an individual's child support or alimony payment  
4 obligations, the agent shall—

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

10 “(B) within 30 days (or such longer period as may  
11 be prescribed by applicable State law) after receipt of  
12 a notice pursuant to such State procedures, comply  
13 with all applicable provisions of section 466; and

14 “(C) within 30 days (or such longer period as may  
15 be prescribed by applicable State law) after effective  
16 service of any other such order, process, or interroga-  
17 tory, respond to the order, process, or interrogatory.

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

22 “(1) support collection under section 466(b) must be  
23 given priority over any other process, as provided in section  
24 466(b)(7);

25 “(2) allocation of moneys due or payable to an individ-  
26 ual among claimants under section 466(b) shall be gov-  
27 erned by section 466(b) and the regulations prescribed  
28 under such section; and

29 “(3) such moneys as remain after compliance with  
30 paragraphs (1) and (2) shall be available to satisfy any  
31 other such processes on a first-come, first-served basis,  
32 with any such process being satisfied out of such moneys  
33 as remain after the satisfaction of all such processes which  
34 have been previously served.

35 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A gov-  
36 ernmental entity that is affected by legal process served for the

1 enforcement of an individual's child support or alimony pay-  
2 ment obligations shall not be required to vary its normal pay  
3 and disbursement cycle in order to comply with the legal proc-  
4 ess.

5 "(f) RELIEF FROM LIABILITY.—

6 "(1) Neither the United States, nor the government of  
7 the District of Columbia, nor any disbursing officer shall  
8 be liable with respect to any payment made from moneys  
9 due or payable from the United States to any individual  
10 pursuant to legal process regular on its face, if the pay-  
11 ment is made in accordance with this section and the regu-  
12 lations issued to carry out this section.

13 "(2) No Federal employee whose duties include taking  
14 actions necessary to comply with the requirements of sub-  
15 section (a) with regard to any individual shall be subject  
16 under any law to any disciplinary action or civil or criminal  
17 liability or penalty for, or on account of, any disclosure of  
18 information made by the employee in connection with the  
19 carrying out of such actions.

20 "(g) REGULATIONS.—Authority to promulgate regulations  
21 for the implementation of this section shall, insofar as this sec-  
22 tion applies to moneys due from (or payable by)—

23 "(1) the United States (other than the legislative or  
24 judicial branches of the Federal Government) or the gov-  
25 ernment of the District of Columbia, be vested in the Presi-  
26 dent (or the designee of the President);

27 "(2) the legislative branch of the Federal Government,  
28 be vested jointly in the President pro tempore of the Senate  
29 and the Speaker of the House of Representatives (or their  
30 designees), and

31 "(3) the judicial branch of the Federal Government, be  
32 vested in the Chief Justice of the United States (or the  
33 designee of the Chief Justice).

34 "(h) MONEYS SUBJECT TO PROCESS.—

35 "(1) IN GENERAL.—Subject to paragraph (2), moneys  
36 paid or payable to an individual which are considered to be

1 based upon remuneration for employment, for purposes of  
2 this section—

3 “(A) consist of—

4 “(i) compensation paid or payable for personal  
5 services of the individual, whether the compensa-  
6 tion is denominated as wages, salary, commission,  
7 bonus, pay, allowances, or otherwise (including sev-  
8 erance pay, sick pay, and incentive pay);

9 “(ii) periodic benefits (including a periodic  
10 benefit as defined in section 228(h)(3)) or other  
11 payments—

12 “(I) under the insurance system estab-  
13 lished by title II;

14 “(II) under any other system or fund es-  
15 tablished by the United States which provides  
16 for the payment of pensions, retirement or re-  
17 tired pay, annuities, dependents’ or survivors’  
18 benefits, or similar amounts payable on account  
19 of personal services performed by the individual  
20 or any other individual;

21 “(III) as compensation for death under  
22 any Federal program;

23 “(IV) under any Federal program estab-  
24 lished to provide ‘black lung’ benefits; or

25 “(V) by the Secretary of Veterans Affairs  
26 as compensation for a service-connected disabil-  
27 ity paid by the Secretary to a former member  
28 of the Armed Forces who is in receipt of re-  
29 tired or retainer pay if the former member has  
30 waived a portion of the retired or retainer pay  
31 in order to receive such compensation; and

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

34 “(B) do not include any payment—

35 “(i) by way of reimbursement or otherwise, to  
36 defray expenses incurred by the individual in carry-

1 ing out duties associated with the employment of  
2 the individual; or

3 "(ii) as allowances for members of the uni-  
4 formed services payable pursuant to chapter 7 of  
5 title 37, United States Code, as prescribed by the  
6 Secretaries concerned (defined by section 101(5) of  
7 such title) as necessary for the efficient perform-  
8 ance of duty.

9 "(2) CERTAIN AMOUNTS EXCLUDED.—In determining  
10 the amount of any moneys due from, or payable by, the  
11 United States to any individual, there shall be excluded  
12 amounts which—

13 "(A) are owed by the individual to the United  
14 States;

15 "(B) are required by law to be, and are, deducted  
16 from the remuneration or other payment involved, in-  
17 cluding Federal employment taxes, and fines and for-  
18 feitures ordered by court-martial;

19 "(C) are properly withheld for Federal, State, or  
20 local income tax purposes, if the withholding of the  
21 amounts is authorized or required by law and if  
22 amounts withheld are not greater than would be the  
23 case if the individual claimed all dependents to which  
24 he was entitled (the withholding of additional amounts  
25 pursuant to section 3402(i) of the Internal Revenue  
26 Code of 1986 may be permitted only when the individ-  
27 ual presents evidence of a tax obligation which supports  
28 the additional withholding);

29 "(D) are deducted as health insurance premiums;

30 "(E) are deducted as normal retirement contribu-  
31 tions (not including amounts deducted for supple-  
32 mentary coverage); or

33 "(F) are deducted as normal life insurance pre-  
34 miums from salary or other remuneration for employ-  
35 ment (not including amounts deducted for supple-  
36 mentary coverage).

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

2           “(1) UNITED STATES.—The term ‘United States’ in-  
3           cludes any department, agency, or instrumentality of the  
4           legislative, judicial, or executive branch of the Federal Gov-  
5           ernment, the United States Postal Service, the Postal Rate  
6           Commission, any Federal corporation created by an Act of  
7           Congress that is wholly owned by the Federal Government,  
8           and the governments of the territories and possessions of  
9           the United States.

10           “(2) CHILD SUPPORT.—The term ‘child support’,  
11           when used in reference to the legal obligations of an indi-  
12           vidual to provide such support, means amounts required to  
13           be paid under a judgment, decree, or order, whether tem-  
14           porary, final, or subject to modification, issued by a court  
15           or an administrative agency of competent jurisdiction, for  
16           the support and maintenance of a child, including a child  
17           who has attained the age of majority under the law of the  
18           issuing State, or a child and the parent with whom the  
19           child is living, which provides for monetary support, health  
20           care, arrearages or reimbursement, and which may include  
21           other related costs and fees, interest and penalties, income  
22           withholding, attorney’s fees, and other relief.

23           “(3) ALIMONY.—

24           “(A) IN GENERAL.—The term ‘alimony’, when  
25           used in reference to the legal obligations of an individ-  
26           ual to provide the same, means periodic payments of  
27           funds for the support and maintenance of the spouse  
28           (or former spouse) of the individual, and (subject to  
29           and in accordance with State law) includes separate  
30           maintenance, alimony pendente lite, maintenance, and  
31           spousal support, and includes attorney’s fees, interest,  
32           and court costs when and to the extent that the same  
33           are expressly made recoverable as such pursuant to a  
34           decree, order, or judgment issued in accordance with  
35           applicable State law by a court of competent jurisdic-  
36           tion.

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

2                   “(i) any child support; or

3                   “(ii) any payment or transfer of property or  
4                   its value by an individual to the spouse or a former  
5                   spouse of the individual in compliance with any  
6                   community property settlement, equitable distribu-  
7                   tion of property, or other division of property be-  
8                   tween spouses or former spouses.

9           “(4) PRIVATE PERSON.—The term ‘private person’  
10           means a person who does not have sovereign or other spe-  
11           cial immunity or privilege which causes the person not to  
12           be subject to legal process.

13           “(5) LEGAL PROCESS.—The term ‘legal process’  
14           means any writ, order, summons, or other similar process  
15           in the nature of garnishment—

16                   “(A) which is issued by—

17                           “(i) a court or an administrative agency of  
18                           competent jurisdiction in any State, territory, or  
19                           possession of the United States;

20                           “(ii) a court or an administrative agency of  
21                           competent jurisdiction in any foreign country with  
22                           which the United States has entered into an agree-  
23                           ment which requires the United States to honor the  
24                           process; or

25                           “(iii) an authorized official pursuant to an  
26                           order of such a court or an administrative agency  
27                           of competent jurisdiction or pursuant to State or  
28                           local law; and

29                   “(B) which is directed to, and the purpose of  
30                   which is to compel, a governmental entity which holds  
31                   moneys which are otherwise payable to an individual to  
32                   make a payment from the moneys to another party in  
33                   order to satisfy a legal obligation of the individual to  
34                   provide child support or make alimony payments.”.

35           (b) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV.—Sections 461 and 462  
2 (42 U.S.C. 661 and 662) are repealed.

3 (2) TO TITLE 5, UNITED STATES CODE.—Section  
4 5520a of title 5, United States Code, is amended, in sub-  
5 sections (h)(2) and (i), by striking “sections 459, 461, and  
6 462 of the Social Security Act (42 U.S.C. 659, 661, and  
7 662)” and inserting “section 459 of the Social Security Act  
8 (42 U.S.C. 659)”.

9 (c) MILITARY RETIRED AND RETAINER PAY.—

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

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

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

16 (C) by adding after subparagraph (C) the follow-  
17 ing new subparagraph:

18 “(D) any administrative or judicial tribunal of a  
19 State competent to enter orders for support or mainte-  
20 nance (including a State agency administering a pro-  
21 gram under a State plan approved under part D of title  
22 IV of the Social Security Act), and, for purposes of this  
23 subparagraph, the term ‘State’ includes the District of  
24 Columbia, the Commonwealth of Puerto Rico, the Vir-  
25 gin Islands, Guam, and American Samoa.”.

26 (2) DEFINITION OF COURT ORDER.—Section  
27 1408(a)(2) of such title is amended—

28 (A) by inserting “or a support order, as defined in  
29 section 453(p) of the Social Security Act (42 U.S.C.  
30 653(p)),” before “which—”;

31 (B) in subparagraph (B)(i), by striking “(as de-  
32 fined in section 462(b) of the Social Security Act (42  
33 U.S.C. 662(b)))” and inserting “(as defined in section  
34 459(i)(2) of the Social Security Act (42 U.S.C.  
35 659(i)(2)))”; and

1 (C) in subparagraph (B)(ii), by striking “(as de-  
2 fined in section 462(c) of the Social Security Act (42  
3 U.S.C. 662(c))” and inserting “(as defined in section  
4 459(i)(3) of the Social Security Act (42 U.S.C.  
5 659(i)(3)))”.

6 (3) PUBLIC PAYEE.—Section 1408(d) of such title is  
7 amended—

8 (A) in the heading, by inserting “(OR FOR BENE-  
9 FIT OF)” before “SPOUSE OR”; and

10 (B) in paragraph (1), in the 1st sentence, by in-  
11 sserting “(or for the benefit of such spouse or former  
12 spouse to a State disbursement unit established pursu-  
13 ant to section 454B of the Social Security Act or other  
14 public payee designated by a State, in accordance with  
15 part D of title IV of the Social Security Act, as di-  
16 rected by court order, or as otherwise directed in ac-  
17 cordance with such part D)” before “in an amount suf-  
18 ficient”.

19 (4) RELATIONSHIP TO PART D OF TITLE IV.—Section  
20 1408 of such title is amended by adding at the end the fol-  
21 lowing new subsection:

22 “(j) RELATIONSHIP TO OTHER LAWS.—In any case involv-  
23 ing an order providing for payment of child support (as defined  
24 in section 459(i)(2) of the Social Security Act) by a member  
25 who has never been married to the other parent of the child,  
26 the provisions of this section shall not apply, and the case shall  
27 be subject to the provisions of section 459 of such Act.”.

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

31 **SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**  
32 **TIONS OF MEMBERS OF THE ARMED**  
33 **FORCES.**

34 (a) AVAILABILITY OF LOCATOR INFORMATION.—

35 (1) MAINTENANCE OF ADDRESS INFORMATION.—The  
36 Secretary of Defense shall establish a centralized personnel

1 locator service that includes the address of each member of  
2 the Armed Forces under the jurisdiction of the Secretary.  
3 Upon request of the Secretary of Transportation, addresses  
4 for members of the Coast Guard shall be included in the  
5 centralized personnel locator service.

6 (2) TYPE OF ADDRESS.—

7 (A) RESIDENTIAL ADDRESS.—Except as provided  
8 in subparagraph (B), the address for a member of the  
9 Armed Forces shown in the locator service shall be the  
10 residential address of that member.

11 (B) DUTY ADDRESS.—The address for a member  
12 of the Armed Forces shown in the locator service shall  
13 be the duty address of that member in the case of a  
14 member—

15 (i) who is permanently assigned overseas, to a  
16 vessel, or to a routinely deployable unit; or

17 (ii) with respect to whom the Secretary con-  
18 cerned makes a determination that the member's  
19 residential address should not be disclosed due to  
20 national security or safety concerns.

21 (3) UPDATING OF LOCATOR INFORMATION.—Within  
22 30 days after a member listed in the locator service estab-  
23 lishes a new residential address (or a new duty address, in  
24 the case of a member covered by paragraph (2)(B)), the  
25 Secretary concerned shall update the locator service to indi-  
26 cate the new address of the member.

27 (4) AVAILABILITY OF INFORMATION.—The Secretary  
28 of Defense shall make information regarding the address of  
29 a member of the Armed Forces listed in the locator service  
30 available, on request, to the Federal Parent Locator Service  
31 established under section 453 of the Social Security Act.

32 (b) FACILITATING GRANTING OF LEAVE FOR ATTEND-  
33 ANCE AT HEARINGS.—

34 (1) REGULATIONS.—The Secretary of each military  
35 department, and the Secretary of Transportation with re-  
36 spect to the Coast Guard when it is not operating as a

1 service in the Navy, shall prescribe regulations to facilitate  
2 the granting of leave to a member of the Armed Forces  
3 under the jurisdiction of that Secretary in a case in  
4 which—

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

7 (B) the member is not serving in or with a unit  
8 deployed in a contingency operation (as defined in sec-  
9 tion 101 of title 10, United States Code); and

10 (C) the exigencies of military service (as deter-  
11 mined by the Secretary concerned) do not otherwise re-  
12 quire that such leave not be granted.

13 (2) COVERED HEARINGS.—Paragraph (1) applies to a  
14 hearing that is conducted by a court or pursuant to an ad-  
15 ministrative process established under State law, in connec-  
16 tion with a civil action—

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

19 (B) to determine an obligation of a member of the  
20 Armed Forces to provide child support.

21 (3) DEFINITIONS.—For purposes of this subsection—

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

24 (B) The term “child support” has the meaning  
25 given such term in section 459(i) of the Social Security  
26 Act (42 U.S.C. 659(i)).

27 (c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE  
28 WITH CHILD SUPPORT ORDERS.—

29 (1) DATE OF CERTIFICATION OF COURT ORDER.—Sec-  
30 tion 1408 of title 10, United States Code, as amended by  
31 section 362(c)(4) of this Act, is amended—

32 (A) by redesignating subsections (i) and (j) as  
33 subsections (j) and (k), respectively; and

34 (B) by inserting after subsection (h) the following  
35 new subsection:

1           “(i) CERTIFICATION DATE.—It is not necessary that the  
2 date of a certification of the authenticity or completeness of a  
3 copy of a court order for child support received by the Sec-  
4 retary concerned for the purposes of this section be recent in  
5 relation to the date of receipt by the Secretary.”.

6           (2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF  
7 RIGHTS TO STATES.—Section 1408(d)(1) of such title is  
8 amended by inserting after the 1st sentence the following  
9 new sentence: “In the case of a spouse or former spouse  
10 who, pursuant to section 408(a)(4) of the Social Security  
11 Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of  
12 the spouse or former spouse to receive support, the Sec-  
13 retary concerned may make the child support payments re-  
14 ferred to in the preceding sentence to that State in  
15 amounts consistent with that assignment of rights.”.

16           (3) ARREARAGES OWED BY MEMBERS OF THE UNI-  
17 FORMED SERVICES.—Section 1408(d) of such title is  
18 amended by adding at the end the following new para-  
19 graph:

20           “(6) In the case of a court order for which effective service  
21 is made on the Secretary concerned on or after the date of the  
22 enactment of this paragraph and which provides for payments  
23 from the disposable retired pay of a member to satisfy the  
24 amount of child support set forth in the order, the authority  
25 provided in paragraph (1) to make payments from the dispos-  
26 able retired pay of a member to satisfy the amount of child  
27 support set forth in a court order shall apply to payment of  
28 any amount of child support arrearages set forth in that order  
29 as well as to amounts of child support that currently become  
30 due.”.

31           (4) PAYROLL DEDUCTIONS.—The Secretary of De-  
32 fense shall begin payroll deductions within 30 days after re-  
33 ceiving notice of withholding, or for the 1st pay period that  
34 begins after such 30-day period.

## 1 SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

2 Section 466 (42 U.S.C. 666), as amended by section 321  
3 of this Act, is amended by adding at the end the following new  
4 subsection:

5 "(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order  
6 to satisfy section 454(20)(A), each State must have in effect—

7 "(1)(A) the Uniform Fraudulent Conveyance Act of  
8 1981;

9 "(B) the Uniform Fraudulent Transfer Act of 1984;  
10 or

11 "(C) another law, specifying indicia of fraud which  
12 create a prima facie case that a debtor transferred income  
13 or property to avoid payment to a child support creditor,  
14 which the Secretary finds affords comparable rights to  
15 child support creditors; and

16 "(2) procedures under which, in any case in which the  
17 State knows of a transfer by a child support debtor with  
18 respect to which such a prima facie case is established, the  
19 State must—

20 "(A) seek to void such transfer; or

21 "(B) obtain a settlement in the best interests of  
22 the child support creditor."

23 SEC. 365. WORK REQUIREMENT FOR PERSONS OWING  
24 PAST-DUE CHILD SUPPORT.

25 (a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as  
26 amended by sections 315, 317, and 323 of this Act, is amended  
27 by inserting after paragraph (14) the following new paragraph:

28 "(15) PROCEDURES TO ENSURE THAT PERSONS  
29 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR  
30 PAYMENT OF SUCH SUPPORT.—

31 "(A) IN GENERAL.—Procedures under which the  
32 State has the authority, in any case in which an indi-  
33 vidual owes past-due support with respect to a child re-  
34 ceiving assistance under a State program funded under  
35 part A, to issue an order or to request that a court or

1 an administrative process established pursuant to State  
2 law issue an order that requires the individual to—

3 “(i) pay such support in accordance with a  
4 plan approved by the court, or, at the option of the  
5 State, a plan approved by the State agency admin-  
6 istering the State program under this part; or

7 “(ii) if the individual is subject to such a plan  
8 and is not incapacitated, participate in such work  
9 activities (as defined in section 407(d)) as the  
10 court, or, at the option of the State, the State  
11 agency administering the State program under this  
12 part, deems appropriate.

13 “(B) PAST-DUE SUPPORT DEFINED.—For pur-  
14 poses of subparagraph (A), the term ‘past-due support’  
15 means the amount of a delinquency, determined under  
16 a court order, or an order of an administrative process  
17 established under State law, for support and mainte-  
18 nance of a child, or of a child and the parent with  
19 whom the child is living.”

20 (b) CONFORMING AMENDMENT.—The flush paragraph at  
21 the end of section 466(a) (42 U.S.C. 666(a)) is amended by  
22 striking “and (7)” and inserting “(7), and (15)”.

23 **SEC. 366. DEFINITION OF SUPPORT ORDER.**

24 Section 453 (42 U.S.C. 653) as amended by sections 316  
25 and 345(b) of this Act, is amended by adding at the end the  
26 following new subsection:

27 “(p) SUPPORT ORDER DEFINED.—As used in this part,  
28 the term ‘support order’ means a judgment, decree, or order,  
29 whether temporary, final, or subject to modification, issued by  
30 a court or an administrative agency of competent jurisdiction,  
31 for the support and maintenance of a child, including a child  
32 who has attained the age of majority under the law of the issu-  
33 ing State, or a child and the parent with whom the child is liv-  
34 ing, which provides for monetary support, health care, arrear-  
35 ages, or reimbursement, and which may include related costs

1 and fees, interest and penalties, income withholding, attorneys'  
2 fees, and other relief.”.

3 **SEC. 367. REPORTING ARREARAGES TO CREDIT BU-**  
4 **REAUS.**

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

7 “(7) **REPORTING ARREARAGES TO CREDIT BU-**  
8 **REAUS.—**

9 “(A) **IN GENERAL.—**Procedures (subject to safe-  
10 guards pursuant to subparagraph (B)) requiring the  
11 State to report periodically to consumer reporting agen-  
12 cies (as defined in section 603(f) of the Fair Credit Re-  
13 porting Act (15 U.S.C. 1681a(f)) the name of any  
14 noncustodial parent who is delinquent in the payment  
15 of support, and the amount of overdue support owed by  
16 such parent.

17 “(B) **SAFEGUARDS.—**Procedures ensuring that, in  
18 carrying out subparagraph (A), information with re-  
19 spect to a noncustodial parent is reported—

20 “(i) only after such parent has been afforded  
21 all due process required under State law, including  
22 notice and a reasonable opportunity to contest the  
23 accuracy of such information; and

24 “(ii) only to an entity that has furnished evi-  
25 dence satisfactory to the State that the entity is a  
26 consumer reporting agency (as so defined).”.

27 **SEC. 368. LIENS.**

28 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to  
29 read as follows:

30 “(4) **LIENS.—**Procedures under which—

31 “(A) liens arise by operation of law against real  
32 and personal property for amounts of overdue support  
33 owed by a noncustodial parent who resides or owns  
34 property in the State; and

35 “(B) the State accords full faith and credit to  
36 liens described in subparagraph (A) arising in another

1 State, when the State agency, party, or other entity  
2 seeking to enforce such a lien complies with the proce-  
3 dural rules relating to recording or serving liens that  
4 arise within the State, except that such rules may not  
5 require judicial notice or hearing prior to the enforce-  
6 ment of such a lien.”

7 **SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
8 **CENSES.**

9 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
10 tions 315, 317, 323, and 365 of this Act, is amended by insert-  
11 ing after paragraph (15) the following:

12 “(16) **AUTHORITY TO WITHHOLD OR SUSPEND LI-**  
13 **CENSES.**—Procedures under which the State has (and uses  
14 in appropriate cases) authority to withhold or suspend, or  
15 to restrict the use of driver’s licenses, professional and oc-  
16 cupational licenses, and recreational licenses of individuals  
17 owing overdue support or failing, after receiving appro-  
18 priate notice, to comply with subpoenas or warrants relat-  
19 ing to paternity or child support proceedings.”

20 **SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**  
21 **CHILD SUPPORT.**

22 (a) **HHS CERTIFICATION PROCEDURE.**—

23 (1) **SECRETARIAL RESPONSIBILITY.**—Section 452 (42  
24 U.S.C. 652), as amended by section 345 of this Act, is  
25 amended by adding at the end the following new sub-  
26 section:

27 “(k)(1) If the Secretary receives a certification by a State  
28 agency in accordance with the requirements of section 454(31)  
29 that an individual owes arrearages of child support in an  
30 amount exceeding \$5,000, the Secretary shall transmit such  
31 certification to the Secretary of State for action (with respect  
32 to denial, revocation, or limitation of passports) pursuant to  
33 paragraph (2).

34 “(2) The Secretary of State shall, upon certification by the  
35 Secretary transmitted under paragraph (1), refuse to issue a

1 passport to such individual, and may revoke, restrict, or limit  
2 a passport issued previously to such individual.

3 “(3) The Secretary and the Secretary of State shall not  
4 be liable to an individual for any action with respect to a cer-  
5 tification by a State agency under this section.”

6 (2) STATE AGENCY RESPONSIBILITY.—Section 454  
7 (42 U.S.C. 654), as amended by sections 301(b), 303(a),  
8 312(b), 313(a), 333, and 343(b) of this Act, is amended—

9 (A) by striking “and” at the end of paragraph  
10 (29);

11 (B) by striking the period at the end of paragraph  
12 (30) and inserting “; and”; and

13 (C) by adding after paragraph (30) the following  
14 new paragraph:

15 “(31) provide that the State agency will have in effect  
16 a procedure for certifying to the Secretary, for purposes of  
17 the procedure under section 452(k), determinations that in-  
18 dividuals owe arrearages of child support in an amount ex-  
19 ceeding \$5,000, under which procedure—

20 “(A) each individual concerned is afforded notice  
21 of such determination and the consequences thereof,  
22 and an opportunity to contest the determination; and

23 “(B) the certification by the State agency is fur-  
24 nished to the Secretary in such format, and accom-  
25 panied by such supporting documentation, as the Sec-  
26 retary may require.”

27 (b) EFFECTIVE DATE.—This section and the amendments  
28 made by this section shall become effective October 1, 1997.

29 **SEC. 371. INTERNATIONAL SUPPORT ENFORCEMENT.**

30 (a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—  
31 Part D of title IV, as amended by section 362(a) of this Act,  
32 is amended by adding after section 459 the following new sec-  
33 tion:

34 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

35 **“(a) AUTHORITY FOR DECLARATIONS.—**

1           “(1) DECLARATION.—The Secretary of State, with the  
2 concurrence of the Secretary of Health and Human Serv-  
3 ices, is authorized to declare any foreign country (or a po-  
4 litical subdivision thereof) to be a foreign reciprocating  
5 country if the foreign country has established, or under-  
6 takes to establish, procedures for the establishment and en-  
7 forcement of duties of support owed to obligees who are  
8 residents of the United States, and such procedures are  
9 substantially in conformity with the standards prescribed  
10 under subsection (b).

11           “(2) REVOCATION.—A declaration with respect to a  
12 foreign country made pursuant to paragraph (1) may be re-  
13 voked if the Secretaries of State and Health and Human  
14 Services determine that—

15           “(A) the procedures established by the foreign  
16 country regarding the establishment and enforcement  
17 of duties of support have been so changed, or the for-  
18 eign country’s implementation of such procedures is so  
19 unsatisfactory, that such procedures do not meet the  
20 criteria for such a declaration; or

21           “(B) continued operation of the declaration is not  
22 consistent with the purposes of this part.

23           “(3) FORM OF DECLARATION.—A declaration under  
24 paragraph (1) may be made in the form of an international  
25 agreement, in connection with an international agreement  
26 or corresponding foreign declaration, or on a unilateral  
27 basis.

28           “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT  
29 PROCEDURES.—

30           “(1) MANDATORY ELEMENTS.—Support enforcement  
31 procedures of a foreign country which may be the subject  
32 of a declaration pursuant to subsection (a)(1) shall include  
33 the following elements:

34           “(A) The foreign country (or political subdivision  
35 thereof) has in effect procedures, available to residents  
36 of the United States—

1                   “(i) for establishment of paternity, and for es-  
2                   tablishment of orders of support for children and  
3                   custodial parents; and

4                   “(ii) for enforcement of orders to provide sup-  
5                   port to children and custodial parents, including  
6                   procedures for collection and appropriate distribu-  
7                   tion of support payments under such orders.

8                   “(B) The procedures described in subparagraph  
9                   (A), including legal and administrative assistance, are  
10                  provided to residents of the United States at no cost.

11                  “(C) An agency of the foreign country is des-  
12                  ignated as a Central Authority responsible for—

13                         “(i) facilitating support enforcement in cases  
14                         involving residents of the foreign country and resi-  
15                         dents of the United States; and

16                         “(ii) ensuring compliance with the standards  
17                         established pursuant to this subsection.

18                  “(2) ADDITIONAL ELEMENTS.—The Secretary of  
19                  Health and Human Services and the Secretary of State, in  
20                  consultation with the States, may establish such additional  
21                  standards as may be considered necessary to further the  
22                  purposes of this section.

23                  “(c) DESIGNATION OF UNITED STATES CENTRAL AU-  
24                  THORITY.—It shall be the responsibility of the Secretary of  
25                  Health and Human Services to facilitate support enforcement  
26                  in cases involving residents of the United States and residents  
27                  of foreign countries that are the subject of a declaration under  
28                  this section, by activities including—

29                         “(1) development of uniform forms and procedures for  
30                         use in such cases;

31                         “(2) notification of foreign reciprocating countries of  
32                         the State of residence of individuals sought for support en-  
33                         forcement purposes, on the basis of information provided  
34                         by the Federal Parent Locator Service; and

1           “(3) such other oversight, assistance, and coordination  
2           activities as the Secretary may find necessary and appro-  
3           priate.

4           “(d) EFFECT ON OTHER LAWS.—States may enter into  
5           reciprocal arrangements for the establishment and enforcement  
6           of support obligations with foreign countries that are not the  
7           subject of a declaration pursuant to subsection (a), to the ex-  
8           tent consistent with Federal law.”.

9           (b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C.  
10          654), as amended by sections 301(b), 303(a), 312(b), 313(a),  
11          333, 343(b), and 370(a)(2) of this Act, is amended—

12           (1) by striking “and” at the end of paragraph (30);

13           (2) by striking the period at the end of paragraph (31)  
14           and inserting “; and”; and

15           (3) by adding after paragraph (31) the following new  
16           paragraph:

17           “(32)(A) provide that any request for services under  
18           this part by a foreign reciprocating country or a foreign  
19           country with which the State has an arrangement described  
20           in section 459A(d)(2) shall be treated as a request by a  
21           State;

22           “(B) provide, at State option, notwithstanding para-  
23           graph (4) or any other provision of this part, for services  
24           under the plan for enforcement of a spousal support order  
25           not described in paragraph (4)(B) entered by such a coun-  
26           try (or subdivision); and

27           “(C) provide that no applications will be required  
28           from, and no costs will be assessed for such services  
29           against, the foreign reciprocating country or foreign obligee  
30           (but costs may at State option be assessed against the obli-  
31           gor).”.

32          **SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.**

33           Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
34           tions 315, 317, 323, 365, and 369 of this Act, is amended by  
35           inserting after paragraph (16) the following new paragraph:

36           “(17) FINANCIAL INSTITUTION DATA MATCHES.—

1           “(A) IN GENERAL.—Procedures under which the  
2 State agency shall enter into agreements with financial  
3 institutions doing business in the State—

4           “(i) to develop and operate, in coordination  
5 with such financial institutions, a data match sys-  
6 tem, using automated data exchanges to the maxi-  
7 mum extent feasible, in which each such financial  
8 institution is required to provide for each calendar  
9 quarter the name, record address, social security  
10 number or other taxpayer identification number,  
11 and other identifying information for each  
12 noncustodial parent who maintains an account at  
13 such institution and who owes past-due support, as  
14 identified by the State by name and social security  
15 number or other taxpayer identification number;  
16 and

17           “(ii) in response to a notice of lien or levy, en-  
18 cumber or surrender, as the case may be, assets  
19 held by such institution on behalf of any  
20 noncustodial parent who is subject to a child sup-  
21 port lien pursuant to paragraph (4).

22           “(B) REASONABLE FEES.—The State agency may  
23 pay a reasonable fee to a financial institution for con-  
24 ducting the data match provided for in subparagraph  
25 (A)(i), not to exceed the actual costs incurred by such  
26 financial institution.

27           “(C) LIABILITY.—A financial institution shall not  
28 be liable under any Federal or State law to any per-  
29 son—

30           “(i) for any disclosure of information to the  
31 State agency under subparagraph (A)(i);

32           “(ii) for encumbering or surrendering any as-  
33 sets held by such financial institution in response  
34 to a notice of lien or levy issued by the State agen-  
35 cy as provided for in subparagraph (A)(ii); or

1                   “(iii) for any other action taken in good faith  
2                   to comply with the requirements of subparagraph  
3                   (A).

4                   “(D) DEFINITIONS.—For purposes of this para-  
5                   graph—

6                   “(i) FINANCIAL INSTITUTION.—The term ‘fi-  
7                   nancial institution’ has the meaning given to such  
8                   term by section 469A(d)(1).

9                   “(ii) ACCOUNT.—The term ‘account’ means a  
10                  demand deposit account, checking or negotiable  
11                  withdrawal order account, savings account, time de-  
12                  posit account, or money-market mutual fund ac-  
13                  count.”.

14                  **SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATER-**  
15                  **NAL OR MATERNAL GRANDPARENTS IN**  
16                  **CASES OF MINOR PARENTS.**

17                  Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
18                  tions 315, 317, 323, 365, 369, and 372 of this Act, is amended  
19                  by inserting after paragraph (17) the following new paragraph:

20                  “(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL  
21                  OR MATERNAL GRANDPARENTS.—Procedures under which,  
22                  at the State’s option, any child support order enforced  
23                  under this part with respect to a child of minor parents,  
24                  if the custodial parent of such child is receiving assistance  
25                  under the State program under part A, shall be enforce-  
26                  able, jointly and severally, against the parents of the  
27                  noncustodial parent of such child.”.

28                  **SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF**  
29                  **CERTAIN DEBTS FOR THE SUPPORT OF A**  
30                  **CHILD.**

31                  (a) AMENDMENT TO TITLE 11 OF THE UNITED STATES  
32                  CODE.—Section 523(a) of title 11, United States Code, is  
33                  amended—

- 34                         (1) by striking “or” at the end of paragraph (16);  
35                         (2) by striking the period at the end of paragraph (17)  
36                         and inserting “; or”;  
37                         (3) by adding at the end the following:

1           “(18) owed under State law to a State or municipality  
2           that is—

3                   “(A) in the nature of support, and

4                   “(B) enforceable under part D of title IV of the  
5           Social Security Act (42 U.S.C. 601 et seq.)”; and  
6           (4) in paragraph (5), by striking “section 402(a)(26)”  
7           and inserting “section 408(a)(4)”.

8           (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Sec-  
9           tion 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

10           “(b) NONDISCHARGEABILITY.—A debt (as defined in sec-  
11           tion 101 of title 11 of the United States Code) owed under  
12           State law to a State (as defined in such section) or municipal-  
13           ity (as defined in such section) that is in the nature of support  
14           and that is enforceable under this part is not released by a dis-  
15           charge in bankruptcy under title 11 of the United States  
16           Code.”.

17           (c) APPLICATION OF AMENDMENTS.—The amendments  
18           made by this section shall apply only with respect to cases com-  
19           menced under title 11 of the United States Code after the date  
20           of the enactment of this Act.

21           **SEC. 375. CHILD SUPPORT ENFORCEMENT FOR INDIAN**  
22           **TRIBES.**

23           (a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Sec-  
24           tion 454 (42 U.S.C. 654), as amended by sections 301(b),  
25           303(a), 312(b), 313(a), 333, 343(b), 370(a)(2), and 371(b) of  
26           this Act is amended—

27                   (1) by striking “and” at the end of paragraph (31);

28                   (2) by striking the period at the end of paragraph (32)  
29           and inserting “; and”;

30                   (3) by adding after paragraph (32) the following new  
31           paragraph:

32                   “(33) provide that a State that receives funding pur-  
33           suant to section 428 and that has within its borders Indian  
34           country (as defined in section 1151 of title 18, United  
35           States Code) may enter into cooperative agreements with  
36           an Indian tribe or tribal organization (as defined in sub-

1 sections (e) and (l) of section 4 of the Indian Self-Deter-  
2 mination and Education Assistance Act (25 U.S.C. 450b)),  
3 if the Indian tribe or tribal organization demonstrates that  
4 such tribe or organization has an established tribal court  
5 system or a Court of Indian Offenses with the authority to  
6 establish paternity, establish, modify, and enforce support  
7 orders, and to enter support orders in accordance with  
8 child support guidelines established by such tribe or organi-  
9 zation, under which the State and tribe or organization  
10 shall provide for the cooperative delivery of child support  
11 enforcement services in Indian country and for the forward-  
12 ing of all funding collected pursuant to the functions per-  
13 formed by the tribe or organization to the State agency, or  
14 conversely, by the State agency to the tribe or organization,  
15 which shall distribute such funding in accordance with such  
16 agreement; and

17 (4) by adding at the end the following new sentence:  
18 "Nothing in paragraph (33) shall void any provision of any  
19 cooperative agreement entered into before the date of the  
20 enactment of such paragraph, nor shall such paragraph de-  
21 prive any State of jurisdiction over Indian country (as so  
22 defined) that is lawfully exercised under section 402 of the  
23 Act entitled 'An Act to prescribe penalties for certain acts  
24 of violence or intimidation, and for other purposes', ap-  
25 proved April 11, 1968 (25 U.S.C. 1322)."

26 (b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND  
27 TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is  
28 amended by adding at the end the following new subsection:

29 "(b) The Secretary may, in appropriate cases, make direct  
30 payments under this part to an Indian tribe or tribal organiza-  
31 tion which has an approved child support enforcement plan  
32 under this title. In determining whether such payments are ap-  
33 propriate, the Secretary shall, at a minimum, consider whether  
34 services are being provided to eligible Indian recipients by the  
35 State agency through an agreement entered into pursuant to  
36 section 454(34)."

1 (c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Para-  
2 graph (7) of section 454 (42 U.S.C. 654) is amended by insert-  
3 ing “and Indian tribes or tribal organizations (as defined in  
4 subsections (e) and (l) of section 4 of the Indian Self-Deter-  
5 mination and Education Assistance Act (25 U.S.C. 450b))”  
6 after “law enforcement officials”.

7 (d) CONFORMING AMENDMENT.—Subsection (c) of section  
8 428 (42 U.S.C. 628) is amended to read as follows:

9 “(c) For purposes of this section, the terms ‘Indian tribe’  
10 and ‘tribal organization’ shall have the meanings given such  
11 terms by subsections (e) and (l) of section 4 of the Indian Self-  
12 Determination and Education Assistance Act (25 U.S.C.  
13 450b)), respectively.”

## 14 Subtitle H—Medical Support

### 15 SEC. 381. CORRECTION TO ERISA DEFINITION OF MEDI- 16 CAL CHILD SUPPORT ORDER.

17 (a) IN GENERAL.—Section 609(a)(2)(B) of the Employee  
18 Retirement Income Security Act of 1974 (29 U.S.C.  
19 1169(a)(2)(B)) is amended—

20 (1) by striking “issued by a court of competent juris-  
21 diction”;

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

24 (3) by adding, after and below clause (ii), the follow-  
25 ing:

26 “if such judgment, decree, or order (I) is issued by a  
27 court of competent jurisdiction or (II) is issued through  
28 an administrative process established under State law  
29 and has the force and effect of law under applicable  
30 State law.”

31 (b) EFFECTIVE DATE.—

32 (1) IN GENERAL.—The amendments made by this sec-  
33 tion shall take effect on the date of the enactment of this  
34 Act.

35 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANU-  
36 ARY 1, 1997.—Any amendment to a plan required to be

1 made by an amendment made by this section shall not be  
2 required to be made before the 1st plan year beginning on  
3 or after January 1, 1997, if—

4 (A) during the period after the date before the  
5 date of the enactment of this Act and before such 1st  
6 plan year, the plan is operated in accordance with the  
7 requirements of the amendments made by this section;  
8 and

9 (B) such plan amendment applies retroactively to  
10 the period after the date before the date of the enact-  
11 ment of this Act and before such 1st plan year.

12 A plan shall not be treated as failing to be operated in ac-  
13 cordance with the provisions of the plan merely because it  
14 operates in accordance with this paragraph.

15 **SEC. 382. ENFORCEMENT OF ORDERS FOR HEALTH**  
16 **CARE COVERAGE.**

17 Section 466(a) (42 U.S.C. 666(a)), as amended by sec-  
18 tions 315, 317, 323, 365, 369, 372, and 373 of this Act, is  
19 amended by inserting after paragraph (18) the following new  
20 paragraph:

21 “(19) **HEALTH CARE COVERAGE.**—Procedures under  
22 which all child support orders enforced pursuant to this  
23 part shall include a provision for the health care coverage  
24 of the child, and in the case in which a noncustodial parent  
25 provides such coverage and changes employment, and the  
26 new employer provides health care coverage, the State  
27 agency shall transfer notice of the provision to the em-  
28 ployer, which notice shall operate to enroll the child in the  
29 noncustodial parent’s health plan, unless the noncustodial  
30 parent contests the notice.”

1 Subtitle I—Enhancing Responsibility  
2 and Opportunity for Non-Residen-  
3 tial Parents

4 SEC. 391. GRANTS TO STATES FOR ACCESS AND VISITA-  
5 TION PROGRAMS.

6 Part D of title IV (42 U.S.C. 651–669), as amended by  
7 section 353 of this Act, is amended by adding at the end the  
8 following new section:

9 “SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISI-  
10 TATION PROGRAMS.

11 “(a) IN GENERAL.—The Administration for Children and  
12 Families shall make grants under this section to enable States  
13 to establish and administer programs to support and facilitate  
14 noncustodial parents’ access to and visitation of their children,  
15 by means of activities including mediation (both voluntary and  
16 mandatory), counseling, education, development of parenting  
17 plans, visitation enforcement (including monitoring, supervision  
18 and neutral drop-off and pickup), and development of guide-  
19 lines for visitation and alternative custody arrangements.

20 “(b) AMOUNT OF GRANT.—The amount of the grant to be  
21 made to a State under this section for a fiscal year shall be  
22 an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during the fiscal  
24 year for activities described in subsection (a); or

25 “(2) the allotment of the State under subsection (c)  
26 for the fiscal year.

27 “(c) ALLOTMENTS TO STATES.—

28 “(1) IN GENERAL.—The allotment of a State for a fis-  
29 cal year is the amount that bears the same ratio to  
30 \$10,000,000 for grants under this section for the fiscal  
31 year as the number of children in the State living with only  
32 1 biological parent bears to the total number of such chil-  
33 dren in all States.

34 “(2) MINIMUM ALLOTMENT.—The Administration for  
35 Children and Families shall adjust allotments to States

1 under paragraph (1) as necessary to ensure that no State  
 2 is allotted less than—

3 “(A) \$50,000 for fiscal year 1997 or 1998; or

4 “(B) \$100,000 for any succeeding fiscal year.

5 “(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR  
 6 SIMILAR ACTIVITIES.—A State to which a grant is made under  
 7 this section may not use the grant to supplant expenditures by  
 8 the State for activities specified in subsection (a), but shall use  
 9 the grant to supplement such expenditures at a level at least  
 10 equal to the level of such expenditures for fiscal year 1995.

11 “(e) STATE ADMINISTRATION.—Each State to which a  
 12 grant is made under this section—

13 “(1) may administer State programs funded with the  
 14 grant, directly or through grants to or contracts with  
 15 courts, local public agencies, or nonprofit private entities;

16 “(2) shall not be required to operate such programs on  
 17 a statewide basis; and

18 “(3) shall monitor, evaluate, and report on such pro-  
 19 grams in accordance with regulations prescribed by the  
 20 Secretary.”.

21 **Subtitle J—Effective Dates and**  
 22 **Conforming Amendments**

23 **SEC. 395. EFFECTIVE DATES AND CONFORMING AMEND-**  
 24 **MENTS.**

25 (a) IN GENERAL.—Except as otherwise specifically pro-  
 26 vided (but subject to subsections (b) and (c))—

27 (1) the provisions of this title requiring the enactment  
 28 or amendment of State laws under section 466 of the So-  
 29 cial Security Act, or revision of State plans under section  
 30 454 of such Act, shall be effective with respect to periods  
 31 beginning on and after October 1, 1996; and

32 (2) all other provisions of this title shall become effec-  
 33 tive upon the date of the enactment of this Act.

34 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The pro-  
 35 visions of this title shall become effective with respect to a  
 36 State on the later of—

1 (1) the date specified in this title, or  
2 (2) the effective date of laws enacted by the legislature  
3 of such State implementing such provisions,  
4 but in no event later than the 1st day of the 1st calendar quar-  
5 ter beginning after the close of the 1st regular session of the  
6 State legislature that begins after the date of the enactment of  
7 this Act. For purposes of the previous sentence, in the case of  
8 a State that has a 2-year legislative session, each year of such  
9 session shall be deemed to be a separate regular session of the  
10 State legislature.

11 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMEND-  
12 MENT.—A State shall not be found out of compliance with any  
13 requirement enacted by this title if the State is unable to so  
14 comply without amending the State constitution until the ear-  
15 lier of—

16 (1) 1 year after the effective date of the necessary  
17 State constitutional amendment; or

18 (2) 5 years after the date of the enactment of this Act.

19 (d) CONFORMING AMENDMENTS.—

20 (1) The following provisions are amended by striking  
21 “absent” each place it appears and inserting  
22 “noncustodial”:

23 (A) Section 451 (42 U.S.C. 651).

24 (B) Subsections (a)(1), (a)(8), (a)(10)(E),  
25 (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

26 (C) Section 453(f) (42 U.S.C. 653(f)).

27 (D) Paragraphs (8), (13), and (21)(A) of section  
28 454 (42 U.S.C. 654).

29 (E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

30 (F) Section 458(a) (42 U.S.C. 658(a)).

31 (G) Subsections (a), (b), and (c) of section 463  
32 (42 U.S.C. 663).

33 (H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and  
34 (a)(8)(B)(ii), the last sentence of subsection (a), and  
35 subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i),  
36 (b)(9), and (e) of section 466 (42 U.S.C. 666).

1           (2) The following provisions are amended by striking  
2           “an absent” each place it appears and inserting “a  
3           noncustodial”:

4           (A) Paragraphs (2) and (3) of section 453(c) (42  
5           U.S.C. 653(e)).

6           (B) Subparagraphs (B) and (C) of section 454(9)  
7           (42 U.S.C. 654(9)).

8           (C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

9           (D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i),  
10          (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C.  
11          666).

12          (E) Paragraphs (2) and (4) of section 469(b) (42  
13          U.S.C. 669(b)).

1 TITLE IV—RESTRICTING WELFARE  
2 AND PUBLIC BENEFITS FOR  
3 ALIENS

4 SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERN-  
5 ING WELFARE AND IMMIGRATION.

6 The Congress makes the following statements concerning  
7 national policy with respect to welfare and immigration:

8 (1) Self-sufficiency has been a basic principle of Unit-  
9 ed States immigration law since this country's earliest im-  
10 migration statutes.

11 (2) It continues to be the immigration policy of the  
12 United States that—

13 (A) aliens within the Nation's borders not depend  
14 on public resources to meet their needs, but rather rely  
15 on their own capabilities and the resources of their  
16 families, their sponsors, and private organizations, and

17 (B) the availability of public benefits not con-  
18 stitute an incentive for immigration to the United  
19 States.

20 (3) Despite the principle of self-sufficiency, aliens have  
21 been applying for and receiving public benefits from Fed-  
22 eral, State, and local governments at increasing rates.

23 (4) Current eligibility rules for public assistance and  
24 unenforceable financial support agreements have proved  
25 wholly incapable of assuring that individual aliens not bur-  
26 den the public benefits system.

27 (5) It is a compelling government interest to enact  
28 new rules for eligibility and sponsorship agreements in  
29 order to assure that aliens be self-reliant in accordance  
30 with national immigration policy.

31 (6) It is a compelling government interest to remove  
32 the incentive for illegal immigration provided by the avail-  
33 ability of public benefits.

34 (7) With respect to the State authority to make deter-  
35 minations concerning the eligibility of qualified aliens for  
36 public benefits in this title, a State that chooses to follow