

"(II) by any registry maintained by the
National Welfare Reform Information Clearinghouse
under section 453A of such Act;

if such matches are performed only for the limited
purposes of verifying the accuracy of individual
identifiers or of locating individuals (or income or
resources of such individuals), and if information
derived from such matches is not used without
independent verification as the basis for any adverse
action against an individual.

(d) Conforming Amendments.--

(1) To Title IV-D.--Section 454(8) is amended--

(A) by striking ", and" at the end of subparagraph
(A);

(B) in subparagraph (B), to read as follows:

"(B) the Federal Parent Locator Service
established under section 453; and"; and

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

"(C) the National Welfare Reform Information
Clearinghouse established under section 453A;".

(2) To Federal Unemployment Tax Act.--26 U.S.C. 3304 is
amended in paragraph (16)--

(A) by striking "Secretary of Health, Education,
and Welfare" each place it appears and inserting
"Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;"

(C) by striking "and" at the end of subparagraph (A);

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

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

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453A(b) of the Social Security Act, and".

(3) To State Grant Program Under Title III of the Social Security Act.--Section 303(a) is amended--

(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting "; and"; and

(C) by adding after paragraph (9) the following new paragraph:

"(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453A(b)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 626. EXPANDED LOCATE AUTHORITY.

(a) Expanded Authority to Locate Individuals and Assets.--
Section 453 is amended--

(1) in subsection (a), by striking all that follows
"subsection (c))" and inserting the following:
", for the purpose of establishing, setting the amount of, or
enforcing child support obligations--

"(1) information on, or facilitating the discovery of,
the location of any individual--

"(A) who is under an obligation to pay child
support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed, including
such individual's social security number (or numbers),
most recent residential address, and the name, address,
and employer identification number of such individual's
employer; and

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

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

(2) in subsection (b)--

(A) in the matter preceding paragraph (1), by
striking "social security" and all that follows through

"absent parent" and inserting "information specified in subsection (a)"; and

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

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) Reimbursement for Data from Federal Agencies.--Section 453(e)(2) is amended in the fourth sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data)".

(c) Access to Consumer Reports under Fair Credit Reporting Act.--(1) Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended--

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

(B) by striking "employment, to a governmental agency" and inserting "employment, in the case of any other governmental agency)".

(2) Reimbursement for Reports by State Agencies and Credit Bureaus.--Section 453 is amended by adding at the end the following new subsection:

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

(d) Disclosure of Tax Return Information.--(1) Section 6103(1)(6)(A)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(1)(6)(A)(ii) is amended by striking ", but only if" and all that follows and inserting a period.

(2) Section 6103(1)(8)(A) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(1)(8)(A)) is amended by inserting "Federal," before "State or local".

(e) Technical Amendments.--

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) are each amended by inserting "Federal" before "Parent" each place it appears.

(2) Section 453 is amended in the heading by adding "FEDERAL" before "PARENT".

SEC. 627. STUDIES AND DEMONSTRATIONS CONCERNING LOCATOR
ACTIVITIES.

(a) Studies.--The Secretary of Health and Human Services shall study, and report and make recommendations to the Congress concerning--

(1) whether access to information available through the Federal Parent Locator Service under section 453 of the Social Security Act should be afforded to noncustodial parents seeking to locate their children and, if so, whether custodial parents at risk of harm by such noncustodial parents could be adequately protected; and

(2) the feasibility, implications, and costs of establishing and operating electronic data interchanges between such Service and major consumer credit reporting bureaus.

(b) Demonstrations.--The Secretary shall make grants to States for demonstrations designed to test the utility of automated data exchanges with State data bases that have the potential to improve the States' effectiveness in locating individuals and resources for purposes of establishing paternity and establishing and enforcing support obligations.

SEC. 628. USE OF SOCIAL SECURITY NUMBERS.

(a) State Law Requirement.--Section 466(a) is amended by adding at the end the following new paragraph:

"(13) Social Security Numbers Required.--Procedures requiring the recording of social security numbers--

"(A) of both parties on marriage licenses and divorce decrees; and

"(B) of both parents, on birth records and child support and paternity orders.".

(b) Clarification of Federal Policy.--Section 205(c)(2)(C)(ii) is amended by striking the third sentence and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.".

Part D - Streamlining and Uniformity of Procedures

SEC. 635. ADOPTION OF UNIFORM STATE LAWS.

(a) Section 466(a) is amended by adding at the end the following new paragraph:

"(14) Interstate Enforcement.--(A) Adoption of UIFSA.--Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1996, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August, 1992.

"(B) Expanded Application of UIFSA.--The State law adopted pursuant to subparagraph (A) shall be applied to any case--

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) Long-Arm Jurisdiction Based on Residence of Child.--The State law adopted pursuant to subparagraph (A) shall presume that, in the case where a child meets the criteria for residence in the State, a tribunal of the State having jurisdiction over such child has jurisdiction over both parents of such child, if parentage has been legally

established or acknowledged, or may be presumed under the laws of the State.

"(D) Jurisdiction to Modify Orders.--For purposes of the State law adopted pursuant to subparagraph (A), section 611(a)(1) of such Uniform Act shall be amended to read as follows:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor--

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) (in any case where another State is exercising or seeks to exercise jurisdiction to modify the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(E) Parties' Option Concerning Jurisdiction.--The State law adopted pursuant to subparagraph (A) shall allow parties, by agreement, to permit a State that issued an order to retain jurisdiction which the State would otherwise lose under the provisions of such law.

"(F) Service of Process.--The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law,

service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.

"(G) Cooperation by Employers.--The State law adopted pursuant to subparagraph (A) shall provide for the use of procedures (including sanctions for noncompliance) under which all entities in the State (including for-profit, nonprofit, and governmental employers) are required to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor.".

(b) Expedited Appeal of Constitutional Challenge.--(1) An appeal may be taken directly to the Supreme Court of the United States from any interlocutory or final judgment, decree, or order issued by a United States district court ruling upon the constitutionality of section 466(a)(14)(C) of the Act, as added by subsection (a).

(2) The Supreme Court shall, if it has not previously ruled on the question, accept jurisdiction over, and advance on the docket, and expedite to the greatest extent possible, such appeal. All cases raising such question shall be consolidated to the maximum extent permissible under applicable rules of civil procedure.

SEC. 636. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) State Law Requirements.--Section 466 is amended--

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

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

"(c) Expedited Procedures.--(1) Administrative Action by State Agency.--Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) Establish or Modify Support Amount.--To establish the amount of support awards in all cases in which services are being provided under this part, and to modify the amount of such awards under all orders included in the central case registry established under section 454A(e) (including orders entered by a court), in accordance with the guidelines established under section 467.

"(B) Genetic Testing.--To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(C) Default Orders.--To enter a default order, upon a showing of service of process and any additional showing required by State law--

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(D) Subpoenas.--To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(E) Access to Personal and Financial Information.--To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) records of other State and local government agencies, including:

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

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

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

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

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

"(VII) records of the motor vehicle department; and

"(VIII) corrections records; and

"(ii) certain records held by private entities, including--

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) Income Withholding.--To order income withholding in accordance with section 466(a)(1) and (b).

"(G) Change in Payee.--(In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(H) Secure Assets to Satisfy Arrearages.--For the purpose of securing overdue support--

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including--

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

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

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) Increase Monthly Payments.--For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(J) Suspension of Drivers' Licenses.--To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) Substantive and Procedural Rules.--The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Locator Information; Presumptions Concerning Notice.--Procedures under which--

"(i) the parties to any paternity or child support proceeding are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such a party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) Statewide Jurisdiction.--Procedures under which--

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) (in the case of a State in which orders in such cases are issued by local jurisdictions) a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties."

(c) Exemptions from State Law Requirements.--Section 466(d) is amended--

(1) by striking "(d) If" and inserting "(d) Exemptions from Requirements.--(1) In General.--Subject to paragraph (2), if"; and

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

"(2) Non-Exempt Requirements.--The Secretary shall not grant an exemption from the requirements of--

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

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

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(D) subsection (a)(14) (concerning interstate enforcement); or

"(E) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(d) Automation of State Agency Functions.--Section 454A, as added by section 614 and amended by sections 621 and 622, is further amended by adding at the end the following new subsection:

"(h) Expedited Administrative Procedures.--The automated system required under this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required under section 466(c).".

Part E - Paternity Establishment

SEC. 640. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) State Laws Required.--Section 466(a)(5) is amended--

(1) by striking "(5)" and inserting "(5) Procedures Concerning Paternity Establishment.--";

(2) in subparagraph (A)--

(A) by striking "(A)" and inserting "(A) Establishment Process Available from Before Birth until Age Eighteen.--";

(B) by indenting clause (ii) an additional unit of indentation from the left margin; and

(C) by adding after and below clause (ii) the following new clause:

"(iii) Procedures which permit the initiation of proceedings to establish paternity before the birth of the child concerned.";

(3) in subparagraph (B)--

(A) by striking "(B)" and inserting "(B) Procedures Concerning Genetic Testing.--(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement by such party setting forth facts establishing a reasonable possibility of the requisite sexual contact";

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

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing--

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

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(4) in subparagraph (C), to read as follows:

"(C) Voluntary Acknowledgment Procedure.--Procedures for a simple civil process for voluntarily acknowledging paternity under which--

"(i) the benefits, rights and responsibilities of acknowledging paternity are explained to unwed parents;

"(ii) due process safeguards are afforded; and

"(iii) hospitals and other health care facilities providing inpatient or outpatient maternity and pediatric services are required, as a condition of participation in the State program under title XIX--

"(I) to explain to unwed parents the matters specified in clause (i);

"(II) to make available the voluntary acknowledgment procedure required under this subparagraph; and

"(III) (in the case of hospitals providing maternity services) to have facilities for obtaining blood or other genetic samples from the mother, putative father, and child for genetic testing; to inform the mother and putative father of the availability of such testing (at their expense); and to obtain such samples upon request of both such individuals;"

(5) in subparagraphs (D) and (E), to read as follows:

"(D) Legal Status of Voluntary Acknowledgment.--
Procedures under which the voluntary acknowledgment of paternity--

"(i) creates, at State option, either--

"(I) a conclusive presumption of paternity,
or

"(II) a rebuttable presumption which becomes a conclusive presumption within one year, unless rebutted or invalidated by an intervening determination which reaches a contrary conclusion;
and

"(ii) is admissible as evidence of paternity, and as a basis for seeking a support order, without requiring any further proceedings to establish paternity.

"(E) Bar on Acknowledgment Ratification Proceedings.--
Procedures under which no judicial or administrative

proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.";

(6) in subparagraph (F), to read as follows:

"(F) Admissibility of Genetic Testing Results.--

Procedures--

"(i) requiring that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is--

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, within a specified number of days after receipt of such results); and

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

(7) by adding after subparagraph (H) the following new paragraphs:

"(I) No Right to Jury Trial.--Procedures providing that the parties to an action to establish paternity are not entitled to jury trial.

"(J) Temporary Support Order Based on Probable Paternity in Contested Cases.--Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Proof of Certain Support and Paternity Establishment Costs.--Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) Waiver of State Debts for Cooperation.--Procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) Voiding of Acknowledgment.--Procedures under which (at State option), upon the request of a party, a

determination of paternity based on an acknowledgment may be vacated on the basis of new evidence, the existence of fraud, or the best interests of the child.

"(N) Standing of Putative Fathers.--Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.".

(b) Technical Amendment.--Section 468 is amended by striking "a simple civil process for voluntarily acknowledging paternity and ".

SEC. 641. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) State Plan Requirement.--Section 454(23), as amended by section 606, is further amended by adding at the end the following new subparagraph:

"(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which--

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts (including at least one contact of each parent whose whereabouts are known, except where there is

reason to believe such follow-up efforts would put mother or child at risk), providing--

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) Enhanced Federal Matching.--Section 455(a)(1)(C) is amended--

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) Effective Dates.--(1) The amendments made by subsection (a) shall become effective October 1, 1996.

(2) The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1995.

SEC. 642. PENALTY FOR FAILURE TO ESTABLISH PATERNITY PROMPTLY.

Section 403 is amended--

(1) in subsection (a), as amended by section 612(e), by striking "subsection (h)" and inserting "subsections (h) and (i)--"; and

(2) by adding after subsection (h) the following new subsection:

"(i) Penalty for Failure to Establish Paternity Promptly.--

(1) In General.-- The amounts otherwise payable to a State under subsection (a) for any calendar quarter beginning 10 months or more after enactment of this subsection shall be reduced by an amount, determined pursuant to regulations in accordance with paragraph (2), for certain children for whom paternity has not been established.

"(2) Reduction Formula.--The Secretary shall promulgate regulations specifying the formula for the reduction required under this subsection, which formula shall provide for a reduction in Federal matching payments to a State under this section by an amount equal to the product of--

"(A) the number (after allowing for the tolerance level established under paragraph (3)) of children born on or after the date 10 months after enactment of this provision who are receiving aid under the State plan under part A, whose custodial relatives have, throughout the preceding 12-month period, complied with the cooperation requirements

specified in section 454(25)(D), but for whom paternity has not been established;

"(B) the average monthly assistance payment under the State plan under this part; and

"(C) the Federal matching rate applicable to such assistance payment; and

"(3) Tolerance Level.--(A) The tolerance level, for purposes of paragraph (2)(A), shall not be higher than the percentage specified in subparagraph (B) of children in the State described in paragraph (1), and may decrease over time) to make allowance for a State's inability to establish paternity in all cases.

"(B) The percentage specified in this paragraph shall be 25 percent for fiscal years 1997 and 1998, 20 percent for fiscal years 1999 and 2000, 15 percent for fiscal years 2001 and 2002, and 10 percent for fiscal year 2003 and each succeeding fiscal year.".

SEC. 643. INCENTIVES TO PARENTS TO ESTABLISH PATERNITY.

(a) Optional State Activities.--Section 455 is amended by adding at the end the following new subsection:

"(f) Paternity Establishment Incentives to Families.--(1) The Secretary, in accordance with regulations, may approve proposals by States to amend State plans under this part to provide for incentive payments to families to encourage paternity establishment.

"(2) Federal financial participation shall be available in accordance with subsection (a) for expenditures by a State pursuant to a plan amendment approved under paragraph (1).".

(b) Demonstrations.--The Secretary shall authorize up to 3 States to conduct demonstrations providing financial incentives to families for establishment of paternity. Notwithstanding any other provision of law, a State participating in a demonstration under this section shall be entitled to Federal payments pursuant to section 455 of the Social Security Act for 90 percent of the payments to families under such demonstration.

Part F - Establishment and Modification of Support Orders

SEC. 651. NATIONAL COMMISSION ON CHILD SUPPORT GUIDELINES.

(a) Establishment.--The Secretary is authorized to establish, in accordance with this section, a commission to be known as the "National Commission on Child Support Guidelines" (in this section referred to as the "Commission").

(b) General Duties.--The Commission shall consider whether a national child support guideline is advisable and, if it so determines, shall develop and propose for congressional consideration such a guideline (or parameters for State guidelines), reflecting the Commission's study of various guideline models and its conclusions concerning their strengths and deficiencies, and specifically reflecting consideration of the need for simplicity and ease of application of guidelines, and of the matters enumerated in subsection (c).

(c) Matters for Consideration by the Commission.--In making the recommendations concerning guidelines required pursuant to subsection (b), the Commission shall consider--

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including--

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than one family, including the effect (if any) to be given to--

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by one or both parents, including--

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children; and

(7) whether, or to what extent, support levels should be adjusted in cases where custody is shared or where the noncustodial parent has extended visitation rights.

(d) Membership.--

(1) Number; Appointment.--

(A) In General.--The Commission shall be composed of 12 individuals appointed not later than March 1, 1995, of which--

(i) two shall be appointed by the Chairman of the Senate Committee on Finance, and one shall be appointed by the Ranking Minority Member of such Committee;

(ii) two shall be appointed by the Chairman of the House Committee on Ways and Means, and one shall be appointed by the Ranking Minority Member of such Committee; and

(iii) six shall be appointed by the Secretary of Health and Human Services.

(B) Qualifications of Members.--Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least one member shall represent advocacy groups for custodial parents, at least one member shall represent advocacy groups for noncustodial parents, and at least one member shall be the director of a State program under title IV-D of the Social Security Act.

(2) Terms of Office.--Each member shall be appointed for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) Commission Powers, Compensation, Access to Information, and Supervision.--The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses

(ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission, except that references in such section to the Office of Technology Assessment shall be disregarded.

(f) Report.--Not later than July 1, 1997, the Commission shall report to the President and the Congress on the results of the studies required under this section.

(g) The Commission shall terminate 6 months after submission of the report required under subsection (f).

(h) Authorization of Appropriations.--There are authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 1995 and 1996, to remain available until expended.

SEC. 652. STATE LAWS CONCERNING MODIFICATION OF CHILD SUPPORT
ORDERS.

(a) State Law Requirements.--Section 466(a)(10) is amended--

(1) by inserting "Procedures for Modification of
Support Orders.--" after "(10)";

(2) by redesignating subparagraph (C) as subparagraph
(E) and inserting after subparagraph (B) the following new
subparagraphs:

"(C)(i) Procedures to ensure that, beginning October 1,
1999 (or such earlier date as the State may select), the
State agency (or, at the option of the State, the local
agency) reviews and adjusts, in accordance with guidelines
established pursuant to section 467(a), judicial and
administrative child support orders included in the State
registry established pursuant to section 454A(d), under
which (subject to clauses (ii) and (iii)) the order--

"(I) is to be reviewed not later than 36 months
after the establishment of the order or the most recent
adjustment of (or determination not to adjust) such
order; and

"(II) (at State option) may not be reviewed during
a minimum period established by the State following the
establishment or most recent review of the order.

"(ii) The requirement of clause (i)(I) shall not apply
in any case where--

"(I) the State has determined, in accordance with regulations of the Secretary, that such a review would not be in the best interests of the child; or

"(II) both parents have been informed of the modified support amount that would be imposed under the guidelines and have declined such modification in writing.

"(iii) The State shall provide for review of a child support order upon the request of either parent, notwithstanding the requirement of clause (i)(II), whenever, subsequent to the establishment or most recent review--

"(I) either parent's income has changed by more than 20 percent, or

"(II) other substantial changes have occurred in either parent's circumstances.

"(D) Amount of Modification Based on Guidelines.--
Procedures under which support orders reviewed in accordance with subparagraph (C) must be adjusted in accordance with the guidelines established pursuant to section 467(a), without a requirement for any other change in circumstances (except that the State may refuse to modify an order in any case where the change in the support amount, if so modified, would not exceed a threshold percentage (which may not be greater than 10 percent)).";

(3) in subparagraph (E), as redesignated --

(i) by striking "(E)" and inserting "(E) Due Process Safeguards.--";

(ii) in the matter preceding clause (i), by striking "this part--" and inserting "this part, in accordance with State due process requirements--";

(iii) in clause (i), by striking ", at least 30 days before the commencement of such review"; and

(iv) in clause (iii), by striking "not less than 30 days" and inserting "a reasonable time".

(b) Automated Procedures.--Section 454A, as previously added and amended by this Act, is further amended by adding at the end the following new subsection:

"(i) Modification of Support Orders.--The automated system required under this section shall be used, to the maximum extent feasible, to assist in the review and modification of support orders in accordance with the timetable under section 466(a)(10) and the guidelines under section 467."

SEC. 653. STUDY ON USE OF TAX RETURN INFORMATION FOR
MODIFICATION OF CHILD SUPPORT ORDERS.

(a) Requirement for Study.--The Secretary of Health and Human Services and the Secretary of the Treasury shall conduct a study to determine how income information included in return information (as defined in section 6103(b) of the Internal Revenue Code of 1986) filed with the Secretary of the Treasury might be used to facilitate the process of determining the amount (if any) by which child support award amounts should be modified in accordance with guidelines established under section 467.

(b) Amendment to Internal Revenue Code.--Section 6103(1)(6) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(C) Upon written request by the Secretary of Health and Human Services, the Secretary may disclose return information to officers and employees of the Department of the Treasury and the Department of Health and Human Services, as may be specified in such written request, to be used in conducting the study required under section 653 of the Comprehensive Welfare Reform and Family Support Amendments of 1994. Return information disclosed pursuant to this subparagraph shall be used only for purposes of conducting such study.".

Part G - Enforcement of Support Orders

**SEC. 661. REVOLVING LOAN FUND FOR PROGRAM IMPROVEMENTS TO
INCREASE COLLECTIONS.**

Part D of title IV is amended by inserting after section 455 the following new section:

**"REVOLVING FUND FOR PROGRAM IMPROVEMENTS
TO INCREASE COLLECTIONS**

"Sec. 455A. (a) Purpose; Authorization of Appropriations.-- There are authorized to be appropriated \$10,000,000 for each of fiscal years 1998 and 1999, and \$20 million for each of fiscal years 2000 through 2003, to remain available without fiscal year limitation, for the purpose of establishing a revolving fund for loans by the Secretary to States operating programs under this part, for short-term projects by such States (and political subdivisions of such States) for making operational improvements in such programs with the potential for achieving substantial increases in child support collections.

"(b) Criteria for Loan Awards.--In determining which loan applications to fund under this section, the Secretary shall consider--

"(1) the potential of the proposed project for increasing child support collections, and

"(2) the availability to the State (or political subdivision) of funding for the project from other sources.

"(c) Limits on Amount and Duration of Loans.--

"(1) Amount.--Loans to a State under this section shall not exceed \$5 million per State or \$1 million per project

(or \$5 million for a single Statewide project in a large State). States may supplement loan funds under this section with funds from other sources, and may require contributions from local jurisdictions served by the project.

"(2) Duration.--Loan payments to a State for a project under this section shall be made for a period not longer than 3 years.

"(d) Recoupment.--The Secretary shall recover amounts paid to a State in loans for a project under this section over 3 fiscal years, beginning in the fourth calendar quarter beginning after the project ends (or, if earlier, the sixteenth calendar quarter beginning after loan payments for the project began) through--

"(1) an offset of one-half of the increase in incentive payments due to the State under section 458 for each calendar quarter until funds are fully repaid, plus

"(2) an offset from payments due to the State under section 455(a) for each calendar quarter equal to the amount, if any, by which one-twelfth of the total loan (plus interest) exceeds the amount described under paragraph (1).

"(e) Availability as State Share.--Funds received by a State under this section may be used by the State as the non-Federal share of expenditures under the State program under this part."

SEC. 662. FEDERAL INCOME TAX REFUND OFFSET.

(a) Changed Order of Refund Distribution under Internal Revenue Code.--(1) Section 6402(c) of the Internal Revenue Code of 1986 is amended in the third sentence--

(A) by striking "has been assigned" and inserting "has not been assigned"; and

(B) by striking "and shall be applied" and all that follows and inserting "and shall thereafter be applied to satisfy any past-due support that has been so assigned."

(2) Section 6402(d)(2) of such Code is amended by striking "collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) Elimination of Disparities in Treatment of Assigned and Non-Assigned Arrearages.--(1) Section 464(a) is amended--

(A) by striking "(a)" and inserting "(a) Offset Authorized.--";

(B) in paragraph (1)--

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

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

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

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)--

"(A) in accordance with section 457(a)(4) or (d)(3), in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

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

(C) in paragraph (3)--

(i) by striking "or (2)" each place it appears;

and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)";

(2) Section 464(b) is amended--

(A) by striking "(b)(1)" and inserting "(b) Regulations.--"; and

(B) by striking paragraph (2).

(3) Section 464(c) is amended--

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) Definition.--As"; and

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

(c) Effective Date.--The amendments made by this section shall become effective October 1, 1996.

SEC. 663. INTERNAL REVENUE SERVICE COLLECTION OF ARREARS.

(a) Amendment to Internal Revenue Code.--Section 6305(a) of the Internal Revenue Code of 1986 is amended--

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting a comma;

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

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(6) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) Effective Date.--The amendments made by this section shall become effective October 1, 1996.

SEC. 664. AUTHORITY TO COLLECT SUPPORT FROM EMPLOYMENT-RELATED
PAYMENTS BY UNITED STATES.

(a) Consolidation and Streamlining of Authorities.--

(1) Section 459 is amended in the caption by inserting "INCOME WITHHOLDING," before "GARNISHMENT".

(2) Section 459(a) is amended--

(A) by striking "(a)" and inserting "(a) Consent to Support Enforcement.--";

(B) by striking "section 207" and inserting "section 207 of this Act and 38 U.S.C. 5301"; and

(C) by striking all that follows "a private person," and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.".

(3) Section 459(b) is amended to read as follows:

"(b) Consent to Requirements Applicable to Private Person.--
Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to section 466(a)(1) or (b), or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied

by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person."

(4) Section 459(c) is redesignated and relocated as paragraph (2) of subsection (f), and is amended--

(A) by striking "responding to interrogatories pursuant to requirements imposed by section 461(b)(3)" and inserting "taking actions necessary to comply with the requirements of subsection (A) with regard to any individual"; and

(B) by striking "any of his duties" and all that follows and inserting "such duties."

(5) Section 461(b) is relocated and redesignated as section 459(c)(1), and is amended to read as follows:

"(c) Designation of Agent; Response to Notice or Process.--

(1) The head of each agency subject to the requirements of this section shall--

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish (i) in the appendix of such regulations, (ii) in each subsequent republication of such regulations, and (iii) annually in the Federal Register, the designation of such agent or agents, identified by title of position, mailing address, and telephone number."

(6) Section 459(d) is redesignated as paragraph (2) of section 459(c), and is amended to read as follows:

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to section 466(a)(1) or (b), or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall--

"(A) as soon as possible (but not later than fifteen days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to section 466(a)(1) or (b), comply with all applicable provisions of such section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto."

(7) Section 461(c) is relocated and redesignated as section 459(d), and is amended to read as follows:

"(d) Priority of Claims.--In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than one person--

"(A) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(B) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(C) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.".

(8) Section 459(e) is amended by striking "(e)" and inserting "(e) No Requirement to Vary Pay Cycles.--".

(9) Section 459(f) is amended by striking "(f)" and inserting "(f) Relief from Liability.--(1)".

(10) Section 461(a) is redesignated and relocated as section 459(g), and is amended--

(A) by striking "(g)" and inserting "(g) Regulations.--"; and

(B) by striking "section 459" and inserting "this section".

(11) Section 462(f) is relocated and redesignated as section 459(h), and is amended to read as follows:

"(h) Moneys Subject to Process.--(1) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section--

"(A) consist of--

"(i) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay); and

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments--

"(I) under the insurance system established by title II; and

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(B) do not include any payment--

"(i) as compensation for death under any Federal program;

"(ii) under any Federal program established to provide 'black lung' benefits;

"(iii) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); or

"(iv) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment.".

(12)(A) Section 462(g) is amended by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F).

(B) Section 462(g), as amended, is redesignated and relocated as paragraph (2) of section 459(i).

(13)(A) Section 462 is amended--

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

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

(B) Section 459 is amended by adding at the end the following:

"(j) Definitions.--For purposes of this section--".

(C) Subsections (a) through (e) of section 462, as amended by subparagraph (A), are relocated and redesignated as paragraphs (1) through (4) of section 459(j), and are indented accordingly.

(b) Conforming Amendments.--

(1) To Title IV-D.--Sections 461 and 462 are repealed.

(2) To 5 U.S.C.--5 U.S.C. 5520a is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(d) Military Retired and Retainer Pay.--(1) Definition of Court.--10 U.S.C. 1408(a)(1) is amended--

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new paragraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(2) Definition of Court Order.--10 U.S.C. 1408(a)(2) is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which--".

(3) Public Payee.--10 U.S.C. 1408(d) is amended--

(A) in the heading, by striking "to spouse" and inserting "to (or for benefit of)"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) Relationship to Title IV-D.--10 U.S.C. 1408 is amended by adding at the end the following new subsection:

"(j) Relationship to other laws. In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(e) Effective Date.--The amendments made by this section shall become effective on the date six months after enactment of this Act.

SEC. 665. MOTOR VEHICLE LIENS.

Section 466(a)(4) is amended--

(A) by striking "(4) Procedures" and inserting "(4) Liens.--(A) In General.--"; and

(B) by adding at the end the following new subparagraph:

"(B) Motor Vehicle Liens.--Procedures for placing liens for arrears of child support on motor vehicle titles of individuals owing such arrears equal to or exceeding two months of support, under which--

"(i) any person owed such arrears may place such a lien;

"(ii) the State agency administering the program under this part shall systematically place such liens;

"(iii) expedited methods are provided for--

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

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

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.".

SEC. 666. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) is amended by adding at the end the following new paragraph:

"(15) Fraudulent Transfers.--Procedures under which--

"(A) the State has in effect--

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must--

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 667. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) is amended by adding at the end the following new paragraph:

"(16) Authority to Withhold or Suspend Licenses.--
Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 668. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) is amended to read as follows:

"(7) Reporting Arrearages to Credit Bureaus.--(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent by one month or more in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported--

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 669. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF
ARREARAGES.

(a) Amendments.--Section 466(a)(9) is amended--

(1) by striking "(9) Procedures" and inserting "(9) Legal Treatment of Arrears.--(A) Finality.--";

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

(3) by adding after and below subparagraph (A), as redesignated, the following new subparagraph:

"(B) Statute of Limitations.--Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) Application of Requirement.--The amendment made by this section shall not be read to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 670. CHARGES FOR ARREARAGES.

(a) State Law Requirement.--Section 466(a) is amended by adding at the end the following new paragraph:

"(17) Charges for Arrearages.--Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) Regulations.--The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) Conforming Amendment.--Section 454(21) is repealed.

(d) Effective Date.--The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1997.

SEC. 671. VISITATION ISSUES BARRED.

Section 466(a) is amended by adding at the end the following new paragraph:

"(18) Visitation Issue Barred.--Procedures under which failure to pay child support is not a defense to denial of visitation rights, and denial of visitation rights is not a defense to failure to pay child support.".

Part H - Amendments to Other Laws

SEC. 681. TREATMENT OF SUPPORT OBLIGATIONS UNDER BANKRUPTCY
CODE.

(a) No Stay of Proceedings.--11 U.S.C. 362(b)(2) is amended to read as follows:

"(2) under subsection (a) of this section--

"(A) of the commencement or continuation of a judicial or administrative proceeding, or other action under State or territorial law by a governmental unit, against the debtor to establish paternity, to establish or modify an obligation to pay for the support of a spouse, former spouse, or child of the debtor, or to establish a schedule for payment of such support (including any arrearages); or

"(B) of the collection of alimony, maintenance, or support from property that is not property of the estate;".

(b) Streamlined Filing Procedure for Support Creditor.--11 U.S.C. 501 is amended by adding at the end the following new subsection:

"(e)(1) The creditor of a claim that is excepted from discharge under section 523(a)(5) may file such claim by delivering to the clerk of the bankruptcy court in which a petition under this title is pending, in person or by registered mail, the claim form promulgated under paragraph (2). Such a creditor, filing a claim in such a manner, shall not be required to make a personal

appearance before the court, to be represented by counsel admitted to practice in the jurisdiction in which such court is located, to comply with any local rules not specified pursuant to paragraph (2), or to pay any filing fees or other charges in connection with the filing of such claim.

"(2) The Judicial Conference of the United States shall promulgate, not later than June 30, 1995--

"(A) a standardized, simplified form for filing claims described in paragraph (1); and

"(B) procedural guidelines for the use of such form, which rules shall be designed to minimize the burden on support creditors of filing such claims.".

(c) Treatment as Preferred Unsecured Creditor.--11 U.S.C. 507 is amended--

(1) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively;

(2) in each paragraph so redesignated, by striking the first word and inserting the corresponding word next in numerical order, beginning with "Third" in paragraph (3) and concluding with "Ninth" in paragraph (9); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) Second, unsecured claims for alimony, maintenance, or support of a spouse, former spouse, or child of the debtor allowed under section 502 of this title, to the full extent

of such claims, and in accordance with any payment schedule established as described in section 362(b)(2).".

(d) Payment Schedule in Chapter 13 Plans.--11 U.S.C.

1322(a)(2) is amended by inserting before the semicolon "(except that the plan shall provide, in the case of a debt not subject to discharge under section 523(a)(5), for payment in accordance with any payment schedule included in the order providing for alimony, maintenance, or support)".

(e) Effective Date.--The amendments made by this section shall become effective October 1, 1995.