

108TH CONGRESS
1ST SESSION

S. 669

To provide more child support money to families leaving welfare, to simplify the rules governing the assignment and distribution of child support collected by States on behalf of children, to improve the collection of child support, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 19, 2003

Ms. SNOWE (for herself, Mr. KOHL, Mr. ROCKEFELLER, Mrs. LINCOLN, Ms. LANDRIEU, Mr. BREAUX, Mr. BAYH, Mr. JOHNSON, and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide more child support money to families leaving welfare, to simplify the rules governing the assignment and distribution of child support collected by States on behalf of children, to improve the collection of child support, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Dis-
5 tribution Act of 2003”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—DISTRIBUTION OF CHILD SUPPORT

Sec. 101. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

TITLE II—EXPANDED ENFORCEMENT

Sec. 201. Decrease in amount of child support arrearage triggering passport denial.

Sec. 202. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.

Sec. 203. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

Sec. 204. Mandatory review and adjustment of child support orders for families receiving TANF.

TITLE III—MISCELLANEOUS

Sec. 301. Report on undistributed child support payments.

Sec. 302. Use of new hire information to assist in administration of unemployment compensation programs.

Sec. 303. Increase in payment rate to States for expenditures for short-term training of staff of certain child welfare agencies.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

3 **TITLE I—DISTRIBUTION OF**
4 **CHILD SUPPORT**5 **SEC. 101. DISTRIBUTION OF CHILD SUPPORT COLLECTED**
6 **BY STATES ON BEHALF OF CHILDREN RE-**
7 **CEIVING CERTAIN WELFARE BENEFITS.**8 (a) MODIFICATION OF RULE REQUIRING ASSIGN-
9 MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-
10 ING TANF.—Section 408(a)(3) of the Social Security Act
11 (42 U.S.C. 608(a)(3)) is amended to read as follows:

1 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-
2 SIGNING CERTAIN SUPPORT RIGHTS TO THE
3 STATE.—A State to which a grant is made under
4 section 403 shall require, as a condition of paying
5 assistance to a family under the State program
6 funded under this part, that a member of the family
7 assign to the State any right the family member
8 may have (on behalf of the family member or of any
9 other person for whom the family member has ap-
10 plied for or is receiving such assistance) to support
11 from any other person, not exceeding the total
12 amount of assistance so paid to the family, which ac-
13 crues during the period that the family receives as-
14 sistance under the program.”.

15 (b) INCREASING CHILD SUPPORT PAYMENTS TO
16 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBU-
17 TION RULES.—

18 (1) DISTRIBUTION RULES.—

19 (A) IN GENERAL.—Section 457(a) of such
20 Act (42 U.S.C. 657(a)) is amended to read as
21 follows:

22 “(a) IN GENERAL.—Subject to subsections (e) and
23 (f), the amounts collected on behalf of a family as support
24 by a State pursuant to a plan approved under this part
25 shall be distributed as follows:

1 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
2 case of a family receiving assistance from the State,
3 the State shall—

4 “(A) pay to the Federal Government the
5 Federal share of the amount collected, subject
6 to paragraph (3)(A);

7 “(B) retain, or pay to the family, the State
8 share of the amount collected, subject to para-
9 graph (3)(B); and

10 “(C) pay to the family any remaining
11 amount.

12 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
13 SISTANCE.—In the case of a family that formerly re-
14 ceived assistance from the State:

15 “(A) CURRENT SUPPORT.—To the extent
16 that the amount collected does not exceed the
17 current support amount, the State shall pay the
18 amount to the family.

19 “(B) ARREARAGES.—Except as otherwise
20 provided in an election made under 434(34), to
21 the extent that the amount collected exceeds the
22 current support amount, the State—

23 “(i) shall first pay to the family the
24 excess amount, to the extent necessary to

1 satisfy support arrearages not assigned
2 pursuant to section 408(a)(3);

16 “(3) LIMITATIONS.—

17 “(A) FEDERAL REIMBURSEMENTS.—The
18 total of the amounts paid by the State to the
19 Federal Government under paragraphs (1) and
20 (2) of this subsection with respect to a family
21 shall not exceed the Federal share of the
22 amount assigned with respect to the family pur-
23 suant to section 408(a)(3).

1 under paragraphs (1) and (2) of this subsection
2 with respect to a family shall not exceed the
3 State share of the amount assigned with respect
4 to the family pursuant to section 408(a)(3).

5 “(4) FAMILIES THAT NEVER RECEIVED ASSIST-
6 ANCE.—In the case of any other family, the State
7 shall pay the amount collected to the family.

8 “(5) FAMILIES UNDER CERTAIN AGREE-
9 MENTS.—Notwithstanding paragraphs (1) through
10 (3), in the case of an amount collected for a family
11 in accordance with a cooperative agreement under
12 section 454(33), the State shall distribute the
13 amount collected pursuant to the terms of the agree-
14 ment.

15 “(6) STATE FINANCING OPTIONS.—To the ex-
16 tent that the State’s share of the amount payable to
17 a family pursuant to paragraph (2)(B) of this sub-
18 section exceeds the amount that the State estimates
19 (under procedures approved by the Secretary) would
20 have been payable to the family pursuant to former
21 section 457(a)(2)(B) (as in effect for the State im-
22 mediately before the date this subsection first ap-
23 plies to the State) if such former section had re-
24 mained in effect, the State may elect to use the
25 grant made to the State under section 403(a) to pay

1 the amount, or to have the payment considered a
2 qualified State expenditure for purposes of section
3 409(a)(7), but not both.

4 “(7) STATE OPTION TO PASS THROUGH ADDI-
5 TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-
6 TICIPATION.—

7 “(A) IN GENERAL.—Notwithstanding
8 paragraphs (1), a State shall not be required to
9 pay to the Federal Government the Federal
10 share of an amount collected on behalf of a
11 family that is not a recipient of assistance
12 under the State program funded under part A,
13 to the extent that the State pays the amount to
14 the family.

15 “(B) RECIPIENTS OF TANF FOR LESS
16 THAN 5 YEARS.—

17 “(i) IN GENERAL.—Notwithstanding
18 paragraphs (1), a State shall not be re-
19 quired to pay to the Federal Government
20 the Federal share of an amount collected
21 on behalf of a family that is a recipient of
22 assistance under the State program funded
23 under part A and, if the family includes an
24 adult, that has received the assistance for
25 not more than 5 years after the date of en-

1 actment of this paragraph, to the extent
2 that—

3 “(I) the State pays the amount
4 to the family; and

5 “(II) subject to clause (ii), the
6 amount is disregarded in determining
7 the amount and type of the assistance
8 provided to the family.

9 “(ii) LIMITATION.—Of the amount
10 disregarded as described in clause (i)(II),
11 the maximum amount that may be taken
12 into account for purposes of clause (i) shall
13 not exceed \$400 per month, except that, in
14 the case of a family that includes 2 or
15 more children, the State may elect to in-
16 crease the maximum amount to not more
17 than \$600 per month.

18 “(8) STATES WITH DEMONSTRATION WAIV-
19 ERS.—Notwithstanding the preceding paragraphs, a
20 State with a waiver under section 1115, effective on
21 or before October 1, 1997, the terms of which allow
22 pass-through of child support payments, may pass
23 through payments in accordance with such terms
24 with respect to families subject to the waiver.”.

7 (i) by striking “and” at the end of
8 paragraph (32);

9 (ii) by striking the period at the end
10 of paragraph (33) and inserting “; and”;
11 and

12 (iii) by inserting after paragraph (33)
13 the following:

14 “(34) include an election by the State to apply
15 section 457(a)(2)(B) of this Act or former section
16 457(a)(2)(B) of this Act (as in effect for the State
17 immediately before the date this paragraph first ap-
18 plies to the State) to the distribution of the amounts
19 which are the subject of such sections, and for so
20 long as the State elects to so apply such former sec-
21 tion, the amendments made by subsection (e) of sec-
22 tion 101 of the Child Support Distribution Act of
23 2001 shall not apply with respect to the State, not-
24 withstanding subsection (f)(1) of such section 101.”.

1 (C) APPROVAL OF ESTIMATION PROCE-
2 DURES.—Not later than the date that is 6
3 months after the date of enactment of this Act,
4 the Secretary of Health and Human Services,
5 in consultation with the States (as defined for
6 purposes of part D of title IV of the Social Se-
7 curity Act), shall establish the procedures to be
8 used to make the estimate described in section
9 457(a)(6) of such Act.

10 (2) CURRENT SUPPORT AMOUNT DEFINED.—
11 Section 457(c) of such Act (42 U.S.C. 657(c)) is
12 amended by adding at the end the following:

13 “(5) CURRENT SUPPORT AMOUNT.—The term
14 ‘current support amount’ means, with respect to
15 amounts collected as support on behalf of a family,
16 the amount designated as the monthly support obli-
17 gation of the noncustodial parent in the order re-
18 quiring the support.”.

19 (c) BAN ON RECOVERY OF MEDICAID COSTS FOR
20 CERTAIN BIRTHS.—Section 454 of such Act (42 U.S.C.
21 654), as amended by subsection (b)(1)(B), is amended—

22 (1) by striking “and” at the end of paragraph
23 (33);

24 (2) by striking the period at the end of para-
25 graph (34) and inserting “; and”; and

1 (3) by inserting after paragraph (34) the fol-
2 lowing:

3 “(35) provide that the State shall not use the
4 State program operated under this part to collect
5 any amount owed to the State by reason of costs in-
6 curred under the State plan approved under title
7 XIX for the birth of a child for whom support rights
8 have been assigned pursuant to section 408(a)(3),
9 471(a)(17), or 1912.”.

10 (d) STATE OPTION TO DISCONTINUE PRE-1997 SUP-
11 PORT ASSIGNMENTS.—Section 457(b) of such Act (42
12 U.S.C. 657(b)) is amended to read as follows:

13 "(b) CONTINUATION OF ASSIGNMENTS.—

14 “(1) STATE OPTION TO DISCONTINUE PRE-1997
15 SUPPORT ASSIGNMENTS.—

16 “(A) IN GENERAL.—Any rights to support
17 obligations assigned to a State as a condition of
18 receiving assistance from the State under part
19 A and in effect on September 30, 1997 (or such
20 earlier date on or after August 22, 1996, as the
21 State may choose), may remain assigned after
22 such date.

23 “(B) DISTRIBUTION OF AMOUNTS AFTER
24 ASSIGNMENT DISCONTINUATION.—If a State
25 chooses to discontinue the assignment of a sup-

1 port obligation described in subparagraph (A),
2 the State may distribute amounts collected pur-
3 suant to such assignment as if such amounts
4 were assigned after the date applicable with re-
5 spect to the State under such paragraph.

6 “(2) STATE OPTION TO DISCONTINUE PRE-2003

7 SUPPORT ASSIGNMENTS.—

8 “(A) IN GENERAL.—Any rights to support
9 obligations accruing before the date on which a
10 family first receives assistance that are assigned
11 to a State under part A and in effect before the
12 date of enactment of this section may remain
13 assigned after such date.

14 “(B) DISTRIBUTION OF AMOUNTS AFTER
15 ASSIGNMENT DISCONTINUATION.—If a State
16 chooses to discontinue the assignment of a sup-
17 port obligation described in subparagraph (A),
18 the State may treat amounts collected pursuant
19 to such assignment as if such amounts had
20 never been assigned and may distribute such
21 amounts to the family in accordance with sub-
22 section (a)(4).”.

23 (e) CONFORMING AMENDMENTS.—

24 (1) Section 404(a) of such Act (42 U.S.C.
25 604(a)) is amended—

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

3 (B) by striking the period at the end of
4 paragraph (2) and inserting “; or”; and

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

6 “(3) to fund payment of an amount pursuant to
7 clause (i) or (ii) of section 457(a)(2)(B), but only to
8 the extent that the State properly elects under sec-
9 tion 457(a)(6) to use the grant to fund the pay-
10 ment.”.

13 (A) in subclause (I)(aa), by striking
14 “457(e)(1)(B)”, and inserting “457(e)(1)”, and

15 (B) by adding at the end the following:

1 have the payment considered a qual-
2 fied State expenditure.”.

3 (f) EFFECTIVE DATE.—

TITLE II—EXPANDED ENFORCEMENT

21 SEC. 201. DECREASE IN AMOUNT OF CHILD SUPPORT AR-
22 REARAGE TRIGGERING PASSPORT DENIAL.

23 Section 452(k)(1) of the Social Security Act (42
24 U.S.C. 652(k)(1)) is amended by striking “\$5,000” and
25 inserting “\$2,500”.

1 **SEC. 202. USE OF TAX REFUND INTERCEPT PROGRAM TO**
2 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**
3 **HALF OF CHILDREN WHO ARE NOT MINORS.**

4 Section 464 of the Social Security Act (42 U.S.C.
5 664) is amended—

6 (1) in subsection (a)(2)(A), by striking “(as
7 that term is defined for purposes of this paragraph
8 under subsection (c))”; and

9 (2) in subsection (c)—

10 (A) in paragraph (1)—

11 (i) by striking “(1) Except as pro-
12 vided in paragraph (2), as used in” and in-
13 serting “In”; and

14 (ii) by inserting “(whether or not a
15 minor)” after “a child” each place it ap-
16 pears; and

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

18 **SEC. 203. GARNISHMENT OF COMPENSATION PAID TO VET-**
19 **ERANS FOR SERVICE-CONNECTED DISABIL-**
20 **ITIES IN ORDER TO ENFORCE CHILD SUP-**
21 **PORT OBLIGATIONS.**

22 Section 459(h) of the Social Security Act (42 U.S.C.
23 659(h)) is amended—

24 (1) in paragraph (1)(A)(ii)—

25 (A) in subclause (IV), by striking “or”
26 after the semicolon;

1 (B) in subclause (V), by inserting "or"
2 after the semicolon; and

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

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

13 “(3) LIMITATIONS WITH RESPECT TO COM-
14 PENSATION PAID TO VETERANS FOR SERVICE-CON-
15 NECTED DISABILITIES.—

16 “(A) ALIMONY AND CHILD SUPPORT.—
17 Subject to subparagraph (B), compensation de-
18 scribed in paragraph (1)(A)(ii)(VI) shall not be
19 subject to withholding pursuant to this sec-
20 tion—

1 “(B) LIMITATION.—Not more than 50 per-
2 cent of any payment of compensation described
3 in subparagraph (A) may be withheld pursuant
4 to this section.”.

5 **SEC. 204. MANDATORY REVIEW AND ADJUSTMENT OF**
6 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**
7 **CEIVING TANF.**

8 (a) IN GENERAL.—Section 466(a)(10)(A)(i) of the
9 Social Security Act (42 U.S.C. 666(a)(10)(A)(i)) is
10 amended in the matter preceding subclause (I)—

11 (1) by striking “parent, or,” and inserting
12 “parent or”; and

13 (2) by striking “upon the request of the State
14 agency under the State plan or of either parent.”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall take effect on October 1, 2005.

17 **TITLE III—MISCELLANEOUS**

18 **SEC. 301. REPORT ON UNDISTRIBUTED CHILD SUPPORT**
19 **PAYMENTS.**

20 Not later than 6 months after the date of enactment
21 of this Act, the Secretary of Health and Human Services
22 shall submit to the Committee on Ways and Means of the
23 House of Representatives and the Committee on Finance
24 of the Senate a report on the procedures that the States
25 use generally to locate custodial parents for whom child

1 support has been collected but not yet distributed. The
2 report shall include an estimate of the total amount of
3 such undistributed child support and the average length
4 of time it takes for such child support to be distributed.
5 The Secretary shall include in the report recommendations
6 as to whether additional procedures should be established
7 at the Federal or State level to expedite the payment of
8 undistributed child support.

9 **SEC. 302. USE OF NEW HIRE INFORMATION TO ASSIST IN**

10 **ADMINISTRATION OF UNEMPLOYMENT COM-**
11 **PENSATION PROGRAMS.**

12 (a) IN GENERAL.—Section 453(j) of the Social Secu-
13 rity Act (42 U.S.C. 653(j)) is amended by adding at the
14 end the following:

15 “(7) INFORMATION COMPARISONS AND DISCLO-
16 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-
17 MENT COMPENSATION PROGRAMS.—

18 “(A) IN GENERAL.—If a State agency re-
19 sponsible for the administration of an unem-
20 ployment compensation program under Federal
21 or State law transmits to the Secretary the
22 name and social security account number of an
23 individual, the Secretary shall, if the informa-
24 tion in the National Directory of New Hires in-
25 dicates that the individual may be employed,

1 disclose to the State agency the name, address,
2 and employer identification number of any pu-
3 tative employer of the individual, subject to this
4 paragraph.

5 “(B) CONDITION ON DISCLOSURE.—The
6 Secretary shall make a disclosure under sub-
7 paragraph (A) only to the extent that the Sec-
8 retary determines that the disclosure would not
9 interfere with the effective operation of the pro-
10 gram under this part.

11 “(C) USE OF INFORMATION.—A State
12 agency may use information provided under this
13 paragraph only for purposes of administering a
14 program referred to in subparagraph (A).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall take effect on October 1, 2001.

17 **SEC. 303. INCREASE IN PAYMENT RATE TO STATES FOR EX-**
18 **PENDITURES FOR SHORT-TERM TRAINING OF**
19 **STAFF OF CERTAIN CHILD WELFARE AGEN-**
20 **CIES.**

21 Section 474(a)(3)(B) of the Social Security Act (42
22 U.S.C. 674(a)(3)(B)) is amended by inserting “, or State-
23 licensed or State-approved child welfare agencies providing
24 services,” after “child care institutions”.

1 **TITLE IV—EFFECTIVE DATE**

2 **SEC. 401. EFFECTIVE DATE.**

3 (a) IN GENERAL.—Except as otherwise provided in
4 this Act, and subject to subsection (b), this Act and the
5 amendments made by this Act shall take effect on October
6 1, 2003, and shall apply to payments under part D of title
7 IV of the Social Security Act for calendar quarters begin-
8 ning on or after such date, and without regard to whether
9 regulations to implement such amendments are promul-
10 gated by such date.

11 (b) DELAY PERMITTED IF STATE LEGISLATION RE-
12 QUIRED.—In the case of a State plan approved under sec-
13 tion 454 of the Social Security Act which requires State
14 legislation (other than legislation appropriating funds) in
15 order for the plan to meet the additional requirements im-
16 posed by the amendments made by this Act, the State plan
17 shall not be regarded as failing to comply with the addi-
18 tional requirements solely on the basis of the failure of
19 the plan to meet the additional requirements before the
20 first day of the first calendar quarter beginning after the
21 close of the first regular session of the State legislature
22 that begins after the date of enactment of this Act. For
23 purposes of the previous sentence, in the case of a State
24 that has a 2-year legislative session, each year of such ses-

1 sion shall be deemed to be a separate regular session of
2 the State legislature.

○