

109TH CONGRESS  
1ST SESSION

# H. R. 1755

To amend the Social Security Act to require that anticipated child support be held in trust on the sale or refinancing of certain real property of an obligated parent.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2005

Mr. ANDREWS introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Social Security Act to require that anticipated child support be held in trust on the sale or refinancing of certain real property of an obligated parent.

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 Reserve  
5       Trust Act” .

6       **SEC. 2. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**  
7       **RESERVE TRUST SYSTEM.**

8       Section 454 of the Social Security Act (42 U.S.C.  
9       654) is amended—

1 (1) in paragraph (32) by striking “and” at the  
2 end;

3 (2) in paragraph (33) by striking the period at  
4 the end and inserting “; and”; and

5 (3) by inserting after paragraph (33) the fol-  
6 lowing new paragraph:

7 “(34) provide that, on and after January 1,  
8 2006, the State agency will have in effect a State re-  
9 serve trust system that meets the requirements of  
10 section 454C.”.

11 **SEC. 3. REQUIREMENTS OF CHILD SUPPORT RESERVE**  
12 **TRUST SYSTEM.**

13 The Social Security Act is amended by inserting after  
14 section 454B (42 U.S.C. 654b) the following new section:

15 **“SEC. 454C. RESERVE TRUST SYSTEM.**

16 “(a) IN GENERAL.—In order for a State to meet the  
17 requirements of this section, the State must—

18 “(1) have in effect laws requiring the use of the  
19 procedures described in subsection (b); and

20 “(2) establish and operate a unit (which shall  
21 be known as the State reserve trust unit) that has  
22 authority to carry out, and shall carry out, such laws  
23 and procedures.

1       “(b) REQUIRED PROCEDURES.—The procedures de-  
2       scribed in this subsection are procedures to carry out the  
3       following:

4               “(1) WITHHOLDING OF ANTICIPATED FUTURE  
5       CHILD SUPPORT.—On any sale or refinancing by a  
6       person of any real property in the State against  
7       which a lien for amounts of overdue support owed by  
8       the person has ever arisen, without regard to wheth-  
9       er such lien has ever been extinguished, the State re-  
10      serve trust unit shall—

11               “(A) withhold the net proceeds of the per-  
12      son from the sale or refinancing;

13               “(B) apply the net proceeds withheld  
14      under subparagraph (A) to any overdue support  
15      owed by the person;

16               “(C) determine the anticipated future child  
17      support of the person;

18               “(D) hold in trust, for the benefit of the  
19      child or children for whom the person has a  
20      support obligation, an amount equal to the less-  
21      er of—

22                       “(i) the anticipated future child sup-  
23                      port determined under subparagraph (C);  
24                      and

1 “(ii) the net proceeds withheld under  
2 subparagraph (A), as reduced by any ap-  
3 plication of such proceeds under subpara-  
4 graph (B); and

5 “(E) distribute to the person any amounts  
6 not held in trust under subparagraph (D).

7 “(2) APPLICATION OF AMOUNTS WITHHELD TO  
8 OVERDUE CHILD SUPPORT.—If a person owes over-  
9 due child support with respect to a child, and the  
10 State reserve trust unit holds in trust amounts with-  
11 held from the person for the benefit of the child, the  
12 State reserve trust unit shall promptly apply such  
13 amounts to satisfy such overdue child support, if the  
14 State reserve trust unit determines that all other  
15 remedies available under the laws of the State are  
16 insufficient to satisfy the overdue child support.

17 “(3) ADJUSTMENT OF AMOUNTS WITHHELD.—  
18 If the State reserve trust unit holds in trust  
19 amounts withheld from a person for the benefit of  
20 a child, and the support obligation of the person  
21 with respect to the child is adjusted under otherwise  
22 available State procedures, the State reserve trust  
23 unit shall promptly—

1           “(A) redetermine the anticipated future  
2           child support of the person with respect to the  
3           child; and

4           “(B) if the amounts held in trust are less  
5           than the anticipated future child support as re-  
6           determined under subparagraph (A), distribute  
7           the difference to the person.

8           “(4) TERMINATION OF TRUST.—If the State re-  
9           serve trust unit holds in trust amounts withheld  
10          from a person for the benefit of a child, the State  
11          reserve trust unit shall distribute the amounts to the  
12          person if—

13           “(A) the person does not owe overdue child  
14           support with respect to the child; and

15           “(B) the support obligation of the person  
16           with respect to the child has finally ceased.

17          “(c) DEFINITIONS.—For purposes of this section, the  
18          following definitions shall apply:

19           “(1) ANTICIPATED FUTURE CHILD SUPPORT.—  
20          The term ‘anticipated future child support’ means  
21          the present value of each child support payment that  
22          will come due under the support obligation of the  
23          person, assuming that the support obligation will fi-  
24          nally cease solely because the child has attained an

1 age requiring the termination of the support obliga-  
2 tion.

3 “(2) FINALLY CEASE.—The term ‘finally cease’  
4 means to cease—

5 “(A) because the person or the child has  
6 died;

7 “(B) because the child has attained an age  
8 requiring the termination of the support obliga-  
9 tion;

10 “(C) because the relationship of parent  
11 and child has been terminated by a final judi-  
12 cial act, such as an order establishing nonpater-  
13 nity or an order emancipating the child; or

14 “(D) because of any other circumstance  
15 that results in cessation under State law that is  
16 permanent, substantial, and not solely a change  
17 in custody.”.

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