

Approved: March 12, 1997
Date

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY.

The meeting was called to order by Chairperson Mike Harris at 10:10 a.m. on March 5, 1997 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Gordon Self, Revisor of Statutes
Mary Blair, Committee Secretary

Conferees appearing before the committee: Shirley Sicilian, Dept. of Revenue
Rochelle Chronister, Secretary of SRS
Jamie Corkhill, Attorney, SRS

Others attending: See attached list

The minutes of February 17, 18, 20, 21, 24 & 25 meetings were approved on a motion by Senator Oleen, seconded by Senator Bond. Motion carried.

SB 72 - Disclosure of certain records relating to correctional or released inmates

Senator Harris reviewed the activity of **SB 72** stating that he had asked that the bill be re-referred to committee to clean up some extraneous language in it. Senator Oleen made a motion to amend SB 72 striking the language on p. 5, Section 44 and pass it out of committee favorably as amended. Senator Schraad seconded. The Chair recognized Conferee Sicilian who testified on a proposed amendment to **SB 72** regarding open records. (attachment 1) Following discussion and on request from the Chair, Senator Oleen withdrew her motion and Senator Schraad withdrew his second. Senator Emert made a motion to adopt the amendment. Senator Schraad seconded. Motion carried. Senator Oleen renewed her motion to strike the language at the bottom of p. 5, line 39-p.6, line 2 on SB 72 and recommend it favorable for passage. Senator Schraad seconded. Motion carried.

SB - 140 Enforcement of child support, uniform interstate family support act

Senator Schraad reported on his subcommittee meeting on **SB 140**. (attachment 2) He stated that there was no consensus reached so no recommendations were offered from the subcommittee.

Staff researcher Mike Heim summarized and highlighted provisions in **SB 140** (attachment 3) and referred to a copy of a summary of the new federal child support requirements he had passed out in February. (attachment 4) On inquiry by several committee members, Mr. Heim, along with Conferees Corkhill and Chronister, clarified several legal, economic, social, administrative, and procedural areas in the bill. On inquiry by Senator Goodwin regarding the status of legislation in other states, Conferee Chronister summarized written testimony she submitted. (attachment 5). There was extensive discussion regarding the bill with strong opposition expressed by several members of the committee one of whom stated he felt this unfunded mandate from the federal government did away with constitutional rights and represented "constitutional pornography." No action was taken on **SB 140** at this time.

Meeting adjourned at 11:01 a.m. The next scheduled meeting is Thursday March 6, 1997.

SENATE JUDICIARY COMMITTEE GUEST LIST

DATE: 3-5-97 pl

NAME	REPRESENTING
Maat Threll	AP
Mike Shields	HNS
Jan Ranney	W. Eagle
Rochelle Chronister	SRS
John Baker	SRS
John D'Aloia	
Dora Hurnitz	Cowley Co.
Josephine Hoff	Cowley County Com. Col.
Mark Gleason	OSM
Jamie Corkhill	SRS (CSE)
Mike Huttler	SRS
Tim Madden	Ks Dept of Corrections
Roger Beschmann	KDHR
Janet Stubb	Ks. Bldg. IND. ASSN.
Ben Smith	Ks Bar
Susan Mahmy	Sen. Salisbury
JASON PITSENBOWER	BRAD Smart
Paul Johnson	PACK
Shirley Sulkar	KDO Revenue

SENATE JUDICIARY COMMITTEE GUEST LIST

DATE: 3-5-97 p2

NAME	REPRESENTING
Steve & Cori	My Family
Don Sicha	KDHR
Bill Lyles	"
GREG DEBACKER	National Congress for Fathers & Children
Jerry D. Keefe	Cowley Co.
Laurenna Cowan	Cowley Co.
Lusia Lincoln	Cowley Co.
Joyce Lynn Larson	Cowley Co.
Nancy Horst	Cowley County - Neffville
Clint Riley	KDWP
Jeff Whittington	Arkansas City, KS
Charles Satchell	KDHE
Bruce Dimmitt	Independent
Kay Calvert	League of Women Voters of KS
Kathy Taylor	Kansas Bankers Assn
Janette Koe	Governors Office

ST. 0, 3/5/97 007# 1

STATE OF KANSAS
Bill Graves, Governor

DEPARTMENT OF REVENUE
John D. LaFaver, Secretary

Shirley Sicilian, Director
915 SW Harrison St.
Topeka, KS 66625



(913) 296-3081
FAX (913) 296-2073

MEMORANDUM

TO: Senator Michael Harris, Chairman
Senate Judiciary Committee
FROM: Shirley Klenda Sicilian
Department of Revenue
RE: Senate bill 72 regarding open records - proposed amendments
DATE: March 5, 1997

Senator Harris and members of the Senate Judiciary Committee, thank you for the opportunity to testify on a proposed amendment to senate bill 72 regarding open records. Our proposal involves K.S.A. 79-3234, K.S.A. 79-3614, and K.S.A. 75-5133, which deal with confidentiality of sales, income and other tax records. Each statute states "Nothing in this section shall be construed to prohibit the disclosure of [certain taxpayer information] to a debt collection agency contracting with the secretary of revenue pursuant to K.S.A. 75-5140 through 5143..." and that "any person receiving [that] information ...[is] subject to the same duty of confidentiality imposed on officers and employees of the department... [and] to any civil or criminal penalties imposed by law for violations of [that] duty"

The confidentiality statutes should be amended to make it absolutely clear that the same confidentiality rights and responsibilities that currently apply to "debt collection" vendors, apply equally to all persons and entities contracting with the department. For example, other service providers would include temporary data entry personnel employed during the tax season, outside legal counsel and expert witnesses employed for especially challenging cases, and system re-engineering vendors employed pursuant to K.S.A. 75-5147, among others.

Our proposed changes would ensure these legislatively mandated safeguards, and penalties for their violation, apply to all persons and entities contracting with the department. We've also proposed language to specify that such confidential information is provided to contractors of the department only where the secretary has determined disclosure of such information is essential to the completion of the contract and has taken all appropriate steps to ensure preservation of confidentiality.

*Senate Judiciary
attachment 1
3-5-97*

79-3614. Confidentiality of tax returns and investigations; exceptions.

All information received by the director from returns filed under this act, or from any investigations conducted under the provisions of this act, shall be confidential, except for official purposes, and it shall be unlawful for any officer or employee of such director to divulge any such information in any manner, except in accordance with a proper judicial order, or as provided in K.S.A. 74-2424, and amendments thereto. The post auditor shall have access to all such information in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106, and amendments thereto. Nothing in this section shall be construed to prohibit the disclosure of the ~~taxpayer's name, social security number, last known address and total tax liability, including penalty and interest,~~ *taxpayer information* from sales tax returns to ~~a debt collection agency persons or entities~~ *persons or entities* contracting with the secretary of revenue pursuant to ~~K.S.A. 75-5140 to 75-5143, inclusive, where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality.~~ Notwithstanding the provisions of this section, the secretary of revenue may provide such information to the president of Kansas, Inc. as required by K.S.A. 1995 Supp. 74-8017, and amendments thereto. ~~The president and any employees or former employees~~ *Any person* receiving any such information *pursuant to this section* shall be subject to the same duty of confidentiality imposed on officers and employees of the department of revenue by this section and shall be subject to any civil or criminal penalties imposed by law for violations of such duty of confidentiality.

History: L. 1937, ch. 374, S. 14; L. 1943, ch. 307, S. 4; L. 1977, ch. 186, S. 8; L. 1983, ch. 289, S. 14; L. 1994, ch. 188, S. 4; July 1.

79-3234. Tax information; preservation; limits on dissemination and use.

(a) All reports and returns required by this act shall be preserved for three years and thereafter until the director orders them to be destroyed.

(b) Except in accordance with proper judicial order, or as provided in subsection (c) or in K.S.A. 17-7511, subsection (g) of K.S.A. 46-1106, K.S.A. 46-1114, or K.S.A. 79-32,153a, and amendments thereto, it shall be unlawful for the director, any deputy, agent, clerk or other officer, employee or former employee of the department of revenue or any other state officer or employee or former state officer or employee to divulge, or to make known in any way, the amount of income or any particulars set forth or disclosed in any report, return, federal return or federal return information required under this act; and it shall be unlawful for the director, any deputy, agent, clerk or other officer or employee engaged in the administration of this act to engage in the business or profession of tax accounting or to accept employment, with or without consideration, from any person, firm or corporation for the purpose, directly or indirectly, of preparing tax returns or reports required by the laws of the state of Kansas, by any other state or by the United States government, or to accept any employment for the purpose of advising, preparing material or data, or the auditing of books or records to be used in an effort to defeat or cancel any tax or part thereof that has been assessed by the state of Kansas, any other state or by the United States government.

(c) Nothing herein shall be construed to prohibit the publication of statistics, so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection of returns by the attorney general or other legal representatives of the state. Nothing in this section shall prohibit the post auditor from access to all income tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106 or K.S.A. 46-1114, and amendments thereto. Nothing in this section shall be construed to prohibit the disclosure of ~~the taxpayer's name, social security number, last known address and total tax liability, including penalty and interest~~ *taxpayer information* from income tax returns to ~~a debt collection agency~~ *persons or entities* contracting with the secretary of revenue pursuant to ~~K.S.A. 75-5140 to 75-5143, and amendments thereto.~~ *where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality.* Nothing in this section shall be construed to prohibit the disclosure of job creation and investment information derived from tax schedules required to be filed under the Kansas income tax act to the secretary of commerce.

Nothing in this section shall be construed to prohibit the disclosure of the taxpayer's name, last known address and residency status to the department of wildlife and parks to be used solely in its license fraud investigations. Any person receiving any information under the provisions of this subsection shall be subject to the confidentiality provisions of subsection (b) and to the penalty provisions of subsection (d).

(d) Any violation of subsection (b) or (c) is a class B misdemeanor and, if the offender is an officer or employee of the state, such officer or employee shall be dismissed from office.

(e) Notwithstanding the provisions of this section, the secretary of revenue may permit the commissioner of internal revenue of the United States, or the proper official of any state imposing an income tax, or the authorized representative of either, to inspect the income tax returns made under this act and the secretary of revenue may make available or furnish to the taxing officials of any other state or the commissioner of internal revenue of the United States or other taxing officials of the federal government, or their authorized representatives, information contained in income tax reports or returns or any audit thereof or the report of any investigation made with respect thereto, filed pursuant to the income tax laws, as the secretary may consider proper, but such information shall not be used for any other purpose than that of the administration of tax laws of such state, the state of Kansas or of the United States.

(f) Notwithstanding the provisions of this section, the secretary of revenue may:

(1) Communicate to the executive director of the Kansas lottery information as to whether a person, partnership or corporation is current in the filing of all applicable tax returns and in the payment of all taxes, interest and penalties to the state of Kansas, excluding items under formal appeal, for the purpose of determining whether such person, partnership or corporation is eligible to be selected as a lottery retailer;

(2) communicate to the executive director of the Kansas racing commission as to whether a person, partnership or corporation has failed to meet any tax obligation to the state of Kansas for the purpose of determining whether such person, partnership or corporation is eligible for a facility owner license or facility manager license pursuant to the Kansas parimutuel racing act; and

(3) provide such information to the president of Kansas, Inc. as required by K.S.A. 1995 Supp. 74-8017, and amendments thereto. The president and any employees or former employees of Kansas, Inc. receiving any such information shall be subject to the confidentiality provisions of subsection (b) and to the penalty provisions of subsection (d).

History: L. 1933, ch. 320, S. 34; L. 1935, ch. 312, S. 13; L. 1943, ch. 307, S. 2; L. 1972, ch. 342, S. 97; L. 1977, ch. 186, S. 9; L. 1978, ch. 406, S. 1; L.

1979, ch. 319, S. 1; L. 1983, ch. 289, S. 13; L. 1984, ch. 192, S. 3; L. 1987,
ch. 292, S. 30; L. 1987, ch. 112, S. 40; L. 1989, ch. 297, S. 3; L. 1992, ch.
202, S. 14; L. 1993, ch. 192, S. 2; L. 1994, ch. 188, S. 3; July 1. 3234

75-5133. Unlawful to divulge licensure, registration and tax information; exceptions; penalties for violations.

(a) Except as otherwise more specifically provided by law, all information received by the director of taxation from applications for licensure or registration made or returns or reports filed under the provisions of any law imposing any excise tax administered by the director, or from any investigation conducted under such provisions, shall be confidential, and it shall be unlawful for any officer or employee of the department of revenue to divulge any such information except in accordance with other provisions of law respecting the enforcement and collection of such tax, in accordance with proper judicial order and as provided in K.S.A. 74-2424, and amendments thereto.

(b) Nothing herein shall be construed to prohibit the publication of statistics, so classified as to prevent identification of particular reports or returns and the items thereof, or the inspection of returns by the attorney general. Nothing in this section shall prohibit the post auditor from access to all such excise tax reports or returns in accordance with and subject to the provisions of subsection (g) of K.S.A. 46-1106, and amendments thereto. Nothing in this section shall be construed to prohibit the disclosure of *taxpayer information* from excise tax returns to ~~a debt collection agency persons or entities~~ contracting with the secretary of revenue pursuant to ~~K.S.A. 75-5140 to 75-5143, inclusive.~~ *where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality.*

(c) Notwithstanding the foregoing provisions of this section, the director of taxation may provide such information from returns and reports filed under article 42 of chapter 79 of the Kansas Statutes Annotated to county appraisers as is necessary to insure proper valuations of property. Information from such returns and reports may also be exchanged with any other state agency administering and collecting conservation or other taxes and fees imposed on or measured by mineral production. Nothing in this section shall prohibit the disclosure of oil and gas production statistics.

(d) Any person receiving any information under the provisions of subsection (b) or (c) of this section shall be subject to the confidentiality provisions of subsection (a) of this section and to the penalty provisions of subsection (e) of this section.

(e) Any violation of this section shall be a class B misdemeanor, and if the offender is an officer or employee of this state, such officer or employee shall be dismissed from office.

History: L. 1984, ch. 301, S. 1; L. 1985, ch. 333, S. 1; L. 1993, ch. 192, S. 1; April 22.

Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

*SRS Mission:
To provide services to Kansans in need that contribute to their safety and
promote dignity, independence, and responsibility.*

Before the Senate Subcommittee on Judiciary
February 26, 1997
Senate Bill 140 - Child Support Enforcement

Mr. Chairman and members of the subcommittee, thank you for providing this opportunity to testify on behalf of Secretary Chronister today concerning Senate Bill 140 and the SRS Child Support Enforcement Program. The purpose of this legislation is to bring Kansas into compliance with federal requirements set out in the Personal Responsibility and Work Opportunity Act. Enacting these measures will not only prevent severe fiscal sanctions, it will also enhance the Kansas Child Support Program's ability to serve as a safety net for children living at or near the poverty line. CSE services are a vital element of effective welfare reform -- when there is a reliable flow of child support income, a single-parent household stands a much better chance of achieving independence from cash assistance.

To reach our goal of assuring this steady flow of income, however, the Kansas CSE Program needs the tools set out in the federal law and in S.B. 140. Although they are part of the federal law now, each of these tools has originated -- and shown its effectiveness -- at the state and local level. Compendiums of state "best practices" have highlighted new hires directories, administrative seizure of bank accounts, automatic liens, and access to utility and cable records as techniques that can bring real improvements. Last year's Legislative Post Audit report on the CSE Program recommended several of these same improvements.

The attached table shows how the new provisions and amendments in S.B. 140 will fit into our existing CSE Program. We have made every effort to propose only what is necessary to meet the new requirements, with as little change as possible to the solid foundation Kansas already has in place.

The State has much to gain from S.B. 140. But the real gains, for the State's taxpayers and for Kansas children, will come from the stable, reliable child support income enactment of S.B. 140 will make possible.

Respectfully submitted,

Jamie L. Corkhill
Policy Counsel
Child Support Enforcement Program
913-296-7209

JLC:Legis\TESTS\26.07

*Senate Judiciary
Attachment 2*

3-5-97

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
1	[new]; 313	New Hires Reporting	Creation, function of directory	New mechanism for locating absent parent's current employment. CSE now gets this information directly (though infrequently) from the parent, occasionally from family members, or from automated match with Employment Security (DHR), whose data is 4-6 months old and does not include all employers. Data will be used for service of process to initiate judicial action for establishing paternity and/or a support order, modifying current support, or enforcement), to serve an initial administrative order or notice (see §§ 8-24 below), or to serve a copy of an existing income withholding order on the new employer.
2	[new]; 331	Paternity	KDHE to provide services for voluntary acknowledgment of paternity	Expands existing process. Kansas has long had a "simple, civil procedure for voluntary acknowledgment of paternity" that parents could access two ways: (1) Through in-hospital acknowledgment at child's birth (recording the father's name on the birth certificate), or (2) through district court under KSA 38-1130 (no court file or record created; ct. sends papers to KDHE to record father's name on birth certificate). The new measure adds KDHE (Vital Statistics Div'n) as a location where parents may receive this service.

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
3	[new]; 369	License sanctions (drivers, professional)	If an outstanding subpoena or warrant (added to existing nonpayment grounds)	<p>Expands scope of existing sanctions involving drivers licenses and professional/occupational licenses. Court discretion whether to apply either sanction.</p> <p>Under existing law (KSA 20-1204a), the court may restrict driving privileges for non-payment of support upon finding of contempt, if 6 months' arrearages are owed or there is substantial failure to comply with court payment plan.</p> <p>Under existing law (KSA 20-1204a), the court may initiate suspension of a professional license for non-payment of support upon a finding of contempt. Debtor has a 6-month grace period (with license) to obtain ct's release (full payment of arrearages, compliance with payment plan, etc. -- whatever satisfies the court's expectations). Grace period would also apply to a sanction based on a subpoena/warrant.</p>
4	[new]; 325(c) (1)(D)(ii); (2)	Access to information; private records	Individuals in case registry; employers; public utilities & cable TV; financial inst'ns; immunity.	<p>This section is the private sector companion to KSA 39-758 (see §73 below). It is subject to the safeguards of KSA 39-759 (§74 below). It grants immunity for good faith disclosures by the person or entity furnishing information, and provides for either formal (by subpoena) or informal (by agreement) access. (cont'd)</p>

2-3

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
4 (continued)		Access to information; private records [cont'd]		<p><u>Employers</u> - expands access currently authorized under KSA 23-4,108(a), which allows the obligee (including CSE) to obtain wage, benefits, and address information if the employee-parent is an obligor (i.e., has a support order). This new section allows similar inquiry when CSE needs to <i>establish</i> an order; info. allows advance preparation of Guidelines worksheet (for agreed order or trial). Employer would have to furnish same information in response to court's subpoena.</p> <p><u>Individuals in case registry</u> - would apply only to IV-D cases. Expands existing requirements under KSA 23-4,113 and KSA 23-4,114 for both parents to provide specific information. Custodial parent in a PA (public assistance) case must already keep CSE updated to meet cooperation requirements.</p> <p><u>Utility, cable TV, & financial institution customer records</u> - To extent that such records could be obtained by ct. subpoena, this new section allows informal access to the same information. In the case of financial institutions, similar immunities under federal law were immediately effective upon enactment of PRWORA; because fin. institutions are highly regulated under federal & state laws, immunities are needed at both levels.</p>

p-e

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
5	[new]; 372	Financial Institutions	Agreements for data matches	<p>IRS 1099 information (furnished by federal agency) will be the primary way CSE identifies debtors' bank assets. This section gives fin. institutions the option, with concurrence of SRS, to adopt procedures such as electronic/magnetic data transfers as alternatives to individual subpoenas and requests for information, levies (under §22), or garnishments.</p> <p>SRS, the KS Bankers Assn., & the Heartland Community Bankers Assn. recommended a balloon to clarify priority of claims, address compensation for costs, and recognize budget constraints.</p>

2-5

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
6	[new]; 317	License applications	Occupational, professional, & marriage licenses; record SSN	<p>The full mandate is a “laundry list” of records and applications on which the parents’ social security number must be recorded. Kansas laws and procedures already require SSN’s to be provided, as mandated, except in 2 instances -- not all professional/occupational applications require the SSN, and marriage license applications do not require the SSN.</p> <p>It is widely recognized that having the absent parent’s social security number is vital for locating both the person and assets. CSE, through the federal parent locator service (FPLS), is generally able to obtain an SSN; this process does require information about the absent parent’s family that not all custodial parents have. If the absent parent has filed one of the applications listed or been involved in a listed proceeding (such as divorce), having the SSN in the records can be beneficial. Recording the SSN in the death certificate records also allows verification that an absent parent is deceased. This is particularly helpful when names are the same or similar (Example: John Smith, Sr. or Jr.)</p> <p>SSN’s obtained by CSE and its contractors are subject to the safeguards of KSA 39-759. Agencies receiving SSN information on applications are subject to limitations under federal laws concerning non-IV-D use and disclosure of SSN’s.</p>

2-6

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
7	[new]; 351	Modification of current support in IV-D cases	When ct. must presume change of circumstances (3-yr cycle of review)	<p>Federal law already requires states to have and use a system (3-year cycle) for reviewing and modifying current support obligations in their IV-D caseloads. In Kansas, the 3-year cycle is part of CSE's internal procedures and is not statutory. Kansas is able to meet federal time frames even with full application of the KS Guidelines; SRS has opted <i>not</i> to seek authority to apply a COLA (cost of living adjustment) or an automated, summary review instead.</p> <p>One change is needed, however. Modifications <i>within</i> the 3-year cycle must be made without requiring proof of a substantial change in circumstances since the last modification (or establishment of current support). Modifications <i>outside</i> the cycle (i.e., additional motions during the 3-year period) must require proof of a substantial change in circumstances. Under existing Kansas law, proving a change of circumstances warranting re-application of the Guidelines is usually not a problem; it does prevent parents from abusing judicial resources and unfairly burdening the other parent. By applying a presumption, §7 meets the federal requirements without overturning the sound legal principles in Kansas' existing law.</p>

2-7

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
-----	-----	Administrative Procedures	General Information	<p>In 1984, the Congress required states to adopt expedited processes for establishing and enforcing support obligations; paternity was added in 1993. Compliance was determined by time frames for initiating and completing these actions. <u>Expedited processes were not necessarily administrative processes</u>; states (like Kansas) that could meet the time frames using judicial processes were granted waivers. With respect to procedures for <i>establishing</i> the duty to support, the amount of current support, and judgments for reimbursement, Kansas' CSE will continue to rely solely upon judicial procedures, including negotiated agreed orders. (Due to changes in federal regs regarding the use of judicial procedures for establishment, the old waiver has become obsolete.)</p> <p>With enactment of PRWORA, the Congress has specified that the IV-D agency (SRS) must have the authority, without relying on another judicial or administrative tribunal, to take certain actions. <u>These are true administrative procedures, within the context of expedited processes.</u> The reason for requiring states to adopt these administrative procedures -- results. Over the years a pattern emerged, indicating that states using administrative procedures tend to outperform states that rely on judicial procedures. This is consistent with Kansas' experience for making collections from Unemployment Insurance benefits. When the federal ban on attaching UI</p>

2-8

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
-----	-----	Administrative Procedures	General Information (cont'd)	<p>benefits was lifted with respect to child support, Kansas elected to use its State Debt Setoff process, rather than individual garnishments, to make these collections. As a result, Kansas has ranked first or second in the nation over several years for the effectiveness of our UI collection process. This effectiveness stems from automated batch processing, with appropriate safeguards in the form of notices and opportunity for hearing, as well as system edits and alerts for worker intervention.</p> <p>Sections 8 through 15 of SB 140 are general provisions applicable to the seven specific actions for which IV-D administrative procedures are mandated. These general sections provide the framework within which the actions of §§ 16 - 24 must fit .</p>
8	[new]; 325	Administrative Procedures - General	Severability; sovereign immunity; KSA placement	Section 8 preserves Kansas' sovereign immunity under the 11th Amendment to the fullest extent possible. This is important because fully 30% of IV-D cases involve interstate activities.
9	[new]; 325 & 314	Administrative Procedures - General	Definitions	Section 9 provides standard definitions.

6-2

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
10	[new]; 325	Administrative Procedures - General	Subject matter jurisdiction; powers of Sec'y of SRS; authorized agents	Section 10 specifies subject matter limitations, the powers to carry out the administrative actions, and persons to whom the powers may be delegated. It is important to note that we expect our contractors, including court trustees, to also use administrative procedures for their enforcement duties, but we will require appropriate contractual assurances against misuse of such authority.
11	[new]; 325	Administrative Procedures - General	Jurisdiction over persons; service	Section 11 addresses jurisdiction over persons -- the authority granted in section 10 cannot be exercised unless the person or entity involved has received appropriate notice and, at appropriate stages, opportunity for a meaningful hearing (<i>see</i> §§15 and 80). The agency must meet state and federal Constitutional requirements -- particularly due process and equal protection -- in addition to statutory requirements.
12	[new];325	Administrative Procedures - General	Option to waive rights	Section 12 makes it clear that persons may waive their rights if they choose. Any waiver is subject to the same Constitutional limitations as would apply in court actions. In particular, the right must be waivable (for example, no waiver can cure a lack of subject matter jurisdiction) and the person must understand the right being waived.

2-10

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
13	[new]; 325	Administrative Procedures - General	Admin. orders; corrections	Section 13 sets out the minimum elements that must be in any administrative order -- information that identifies the case, the findings underlying the order, who to contact (for additional information or to request an administrative hearing), and the time limits for requesting review. This section provides for minor corrections in the order's text -- the judicial parallel is the order <i>nunc pro tunc</i> -- which is also subject to administrative review on request.
14	[new]; 325	Administrative Procedures - General	Judicial Enforcement of Administrative Orders; 2-year limit on subpoenas and certain orders	Instead of authorizing CSE itself to impose sanctions for noncompliance with an administrative order or notice, the bill requires CSE to go to district court for such sanctions. This assures that sanctions will be applied impartially by a judge having the requisite skills and knowledge. With respect to certain orders, a 2-year limitation on enforcement is provided to allow persons (such as financial institutions and utilities) to purge obsolete orders and subpoenas without worry. The 2-year period allows even the mostly lengthy appeal to be completed before the issue becomes moot.

Sec. No.	KS Stat.; PRWCORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
15	[new];325	Administrative Procedures - General	Request for Fair Hearing; specifics	<p>Section 15 sets out specific procedures for administrative reviews (fair hearings). The SRS Appeals Section is administered separately from the agency's substantive programs, including CSE, and is even housed at a separate location to assure that hearing officers may render impartial decisions.</p> <p>General procedures for requesting and conducting fair hearings are set out in Kansas Administrative Regulations and the Kansas Administrative Procedures Act. Section 15 only establishes time frames for requesting reviews, establishes when CSE's actions may and may not be suspended (stayed) while the review is pending, and addresses issues unique to CSE cases.</p>
16	[new];325 (c)(1)(B)	Administrative Procedures - Subpoenas	When subpoena may be issued; compliance options; interstate	<p>Section 16 sets out procedures for IV-D administrative subpoenas, modeled on the existing code of civil procedure. These subpoenas are <i>only</i> for production of records. An option is provided if actual copies are not needed; when that option is available, respondent may determine whether it is easier to provide the copies or to complete a form (to be furnished with the subpoena). The format for a business response will allow the documents to be used in court as evidence, under exception to hearsay rules, often without need for respondent to appear as foundation witness.</p>

2-12

Sec. No.	KS Stat.; PRVORA §	Area	Topic	How provision(s) fit(s) into existing laws and procedures
17	[new]; 325 (c)(1)(A) & 331	Administrative Procedures - Genetic testing	Ordering genetic tests; when mandatory; exceptions; relief from judgment; results	<p>Section 17 - CSE prefers to negotiate agreed orders establishing support obligations; the agreed order is filed with the court. A man who is uncertain he is the father may request genetic testing. This section sets forth when an <i>administrative</i> order for tests is barred (i.e., when a court case is pending or when paternity is not an issue under the <u>Ross</u> line of caselaw¹. It also sets forth when granting a request for an admin. order for tests is mandatory. Test results can be the basis for an agreed order or, if an agreed order is not possible, in a contested paternity action through court.</p> <p>Nothing in the section would affect a court's authority to order genetic testing.</p> <p>-----</p> <p>¹ - In <u>Ross</u> [245 Kan. 591, 783 P.2d 331 (1989)] the KS Sup.Ct. ruled that if the mother was married at the relevant time, paternity would not be an issue unless the court, after a hearing, found that determining the biological parentage of the child would be in the child's best interests.</p>

2-13

Sec. No.	KS Stat.; PRWORA §	Area	Topic	How provision(s) fit(s) into existing laws and procedures
18	[new]; 325(c) (1)(H)	Administrative Procedures - Order for Minimum Payments	Order for minimum payments to reduce arrearages owed	<p>Section 18 - S.B. 140 does NOT authorize CSE to issue an administrative order establishing a parent's duty of support, setting current support, or entering a judgment for reimbursement of assistance. Federal law only requires that CSE have the authority, when the parent owes arrearages, to set a minimum amount (in addition to any current obligation) for the parent to pay each month to reduce any arrearages. The courts in Kansas often use such orders; paying current support plus the arrearage installment protects the debtor from being held in contempt even when arrearages will not be satisfied for several years under the payment plan.</p> <p>Notice and an opportunity for hearing would have to precede entry of an order for minimum payments. The order could only be enforced by a district court (<i>see</i> §15).</p>
-----	-----	Administrative Procedures	Income Withholding	<p>PRWORA requires that CSE have the authority to order income withholding. This includes authority: (1) to serve an existing income withholding order (IWO) on an employer or other payor, (2) to initiate income withholding if no IWO is in effect and pre-conditions are met, and (3) to make appropriate modifications in the IWO's terms (for example, ending the arrearage installment when paid in full).</p> <p>Administrative service of an existing IWO is covered by amendments to the Income Withholding Act (§§ 26-28 below).</p>

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
19	[new]; 325(c) (1)(F)	Administrative Procedures - Income Withholding	Initiating income withholding; notice to court	Section 19 sets out procedures for CSE to initiate withholding when no IWO is in effect. It generally parallels the requirements of the income withholding act, citing it for the requirements for prior notice to the obligor and an opportunity for hearing, among other elements. The administrative income withholding order is filed with the court that issued the support order. This will insure ready access for persons with an interest in the case, especially if the Kansas IV-D case closes.
20	[new]; 325(c) (1)(F)	Administrative Procedures - Income Withholding	Modification of withholding order; termination; notice to court	Section 20 addresses when modification of the administrative income withholding order is mandatory (i.e., when the support obligation changes, arrearages are paid in full, or as a result of a fair hearing). It also allows discretionary adjustment of the arrearage installment (if any), although the amount that can actually be deducted from wages is always limited by the Consumer Credit Protection Act. Modifying terms of a medical <i>withholding</i> order (i.e., order to the plan administrator to enroll the child in group benefits and deduct premiums) is sometimes necessary to insure that the plan administrator will treat the MIWO as a "qualified medical child support order." The terms of the underlying medical support order could only be modified by the court.

2-15

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
21	[new]; 325 (c)(1)(F)	Administrative Procedures - Income Withholding	Request to stay issuance of IWO; fair hearing	Issuance of an administrative IWO could be stayed under the same conditions allowed by the Income Withholding Act. The instructions for requesting the fair hearing and stay would be spelled out in the notice of intent required by §19. The decision to allow or stop issuance of the IWO would have to be made within 45 days, same as the Income Withholding Act.
22	[new]; 325(c) (1)(G) (ii) & (iii)	Administrative Procedures - Levy on cash assets	When; effect (attachment); notices; order to disburse; agreements	<p>PRWORA requires that the IV-D Program be able to attach and seize assets held in a financial institution, as well as attaching private retirement funds.</p> <p>Through the use of court-ordered garnishments, bank accounts may already be attached. The disadvantages of the old process are: (1) Delay -- the longer it takes to process paperwork, the greater the risk of the account being depleted. (2) Paperwork -- every garnishment requires at least 4 documents (written request to ct. clerk, garnishment order, written answer from the bank, and the order to pay out the proceeds); an administrative levy (if processed manually) requires only 2 documents (order to restrict transfer and either the bank's response of "no assets" or an order to disburse proceeds). (3) No basis for alternative procedures, such as electronic or magnetic transmissions. (4) Inability to use IRS 1099 information effectively, because of the necessary disclosure to the clerk of court.</p>

2-16

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
23	[new]; 325(c) (1)(E)	Administrative Procedures - Order to Change payee	As supplement to Notice of Assignment; limits; enforcement of other states' orders	<p>PRWORA requires that the IV-D agency be authorized to change the payee under a support order. In other words, that the IV-D agency be able to redirect assigned payments to "the appropriate government entity." This has never been a problem in Kansas; KSA 39-754's mechanism for notice of the IV-D assignment has worked very well over the years. The new procedure, which requires advance notice to both parents, is more cumbersome and will therefore be used only in special situations.</p> <p>PRWORA requires states to recognize and enforce each others' orders to change payee. This may result in an employer or clerk of court receiving conflicting instructions for disbursing IV-D collections; the section provides an option for resolving such conflicts (through an SRS fair hearing). It also provides that the other state's IV-D agency submits to Kansas' jurisdiction for such a determination when it serves an order to change payee based on a Kansas support order.</p> <p>A balloon has been recommended by CSE, with the concurrence of the Office of Judicial Administration, for this section to clarify the options available.</p>

2-17

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
24	[new]; 325(c)(1) (G)(iv) & 368	Administrative Procedures - Order of execution	When; cross- reference to writ of execution	PRWORA requires that the IV-D agency be authorized to seize and sell assets. The existing judicial procedures in Kansas for seizing and selling assets (execution) are well-established and, in the rare instances when needed, are readily available to the IV-D agency. For this reason the proposed measure only provides for administrative issuance of the order of execution that is normally issued by the clerk of court; a copy would be filed in the court case. The sheriff would continue to be the officer carrying out the execution, with the return going to the court. All further proceedings, including any hearing on an objection by the parent, would occur in the court case. <i>See</i> §77.
25	23-4,101 371	International	International reciprocity	Amendment to provision that allows the Kansas Attorney General to declare reciprocity with a foreign country, correcting an obsolete reference to URESA (the interstate act replaced by UIFSA) and addressing declarations of reciprocity made by the US State Department.
-----	-----	Income Withholding Act	-----	The Kansas income withholding laws are nearly in compliance with federal requirements, but some modifications are needed.
26	23-4,106 314	Income Withholding Act	Definitions	Kansas already applies income withholding to any periodic income, not just wages. Income subject to withholding must include periodic workers compensation benefits, so subsection (d) is amended. Also, "business day" is defined as any day on which state offices are open for regular business; <i>see</i> §28.

2-18

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
27	23-4,107 324 & 325	Income Withholding	Order; when; service; notice	<p>KSA 23-4,107 is a key section of the Income Withholding Act. In general, it governs when withholding must be ordered or may be applied for. If withholding was not immediately ordered when the support order was entered, it sets out the information that must be in the notice to the debtor. If the income withholding order is to be issued by the court, it sets out those procedures.</p> <p>Most of the changes in this section are needed to accommodate the new administrative withholding procedures. Obsolete text related to effective dates of past amendments is eliminated. Provisions are added to subsections (e) and (f) to accommodate the mandate that standard federal forms be used in IV-D cases.</p>
28	23-4,108 314	Income Withholding	Payor duties	<p>KSA 23-4,108 governs the payor's duties. The current provision requires payors to transmit money within 10 days of the normal payment day (payday); federal law now specifies payment within 7 <i>business</i> days. Also, the states are mandated to provide for transmitting funds to a central collection and disbursement unit (although creation of such a unit is not required until Oct. 1999 in Kansas), so accommodating language has been added to subsection (c). Federal law requires immunity for payors complying with an IWO that is regular on its face; see subsection (h). Finally, the existing \$500 civil penalty for action against the employee must be expanded to include failing to withholding or pay in funds as required.</p>

2-19

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
29	23-4,109 321	Income Withholding	Priority; multiple IWO's	This section guides payors who have more than one IWO to apply to one person's income. The amendment incorporates the provision of UIFSA (§50) that applies if one of the orders come from another state.
30	23-4,110 325	Income Withholding	Motion to stay	The amendment clarifies that the provisions of KSA 23-4,110 apply only to court-issued withholding orders; requests to stay administrative withholding are governed by §21.
31	23-4,111 325	Income Withholding	Modification of IWO	The amendment clarifies that the provisions of KSA 23-4,111 apply only to court-issued withholding orders; modifications to administrative withholding orders are governed by §20.
32	23-4,129 325	Interstate Income Withholding Act	Registration and judicial initiation of withholding <i>or</i> administrative initiation of withholding (without formal registration)	Before direct income withholding across state lines became common, the Interstate Income Withholding Act was used to perform income withholding based on support orders in other states. The amendment of this section allows CSE to use either the registration and judicial procedures of the Interstate Income Withholding Act or the administrative procedures of §§19-21.
33	23-4,133 325	Interstate Income Withholding Act	[technical amendment]	Adds the language "and amendments thereto" to statutory cross-reference (to the Income Withholding Act).

2-28

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
34	23-4,146 325(c) (1)(G) & 368	Liens - personal property	Liens by operation of law; judgments & settlements, workers compensation	<p>Kansas law already allows establishment of liens on personal property (vehicles, vessels, & aircraft). These liens must now arise by operation of law, though state law may still require steps to <i>perfect</i> the lien. Perfection assures that 3rd parties and the obligor will have adequate notice and, at a meaningful point, will have an opportunity to protect their interests through a fair hearing. Although these personal property liens are not amenable to foreclosure, they do prevent transfer of the property without a release from the creditor.</p> <p>The federal law also requires that CSE be able to administratively intercept or seize workers compensation, judgments, and settlements. The least disruptive mechanism for doing so is to make them subject to a lien that arises by operation of law and is perfected by notice to the persons involved. If payments will be made periodically, the payer may request that an income withholding order be established instead. Provisions are included to address attorney liens or fees.</p>
35	23-9,101 §321 (for all UIFSA changes)	UIFSA (Uniform Interstate Family Support Act)	Definitions	<p>Kansas enacted the original Uniform Interstate Family Support Act during the 1994; the act became effective July 1, 1995. Kansas is only required to enact the official amendments to the act that were adopted during the summer of 1996.</p> <p>The changes made by the Commissioners codify practices and interpretations already developed in states like Kansas that had adopted and used UIFSA, or correct inconsistencies with the federal Full Faith & Credit for Child Support Orders Act.</p>

2-21

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
36	23-9,202	UIFSA	[technical change]	<p>“Technical change” as used in this table means that the <i>only</i> amendment to the section involves adding the text “and amendments thereto” to a statutory cross-reference. These technical changes were included by the Office of the Revisor to insure that the Act conforms to Kansas’ standard format for cross-references.</p>
37	23-9,205	UIFSA	Jurisdiction	
38	23-9,206	UIFSA	[technical change]	
39	23-9,207	UIFSA	Jurisdiction	
40	23-9,301	UIFSA	[technical change]	
41	23-9,304	UIFSA	Documentation	
42	23-9,305	UIFSA	Responding state	
43	23-9,306	UIFSA	Inappropriate tribunal	
44	23-9,307	UIFSA	Supp. enforcement agency	
45	23-9,311	UIFSA	[technical change]	
46	23-9,313	UIFSA	[technical change]	
47	23-9,401	UIFSA	[technical change]	

2-22

Sec. No.	KS Stat.; PRWORA §	Area	Topic	How provision(s) fit(s) into existing laws and procedures
48	23-9,501	UIFSA	Direct income withholding across state lines	<p>The most significant substantive changes involve direct withholding across state lines. Before UIFSA, state courts and agencies in the initiating state could only serve their state's income withholding orders on out-of-state employers who conducted business within the initiating state. If the employer did not do business in the initiating state, the support order had to be registered in the employer's state first. This delayed withholding for what experience showed to be a <i>pro forma</i> step. The Interstate Commission, appointed under the 1988 Family Support Act, strongly recommended that states enact laws to permit sister states to serve income withholding orders across state lines without registration. The result was UIFSA's original direct withholding provision.</p> <p>The expanded provisions for direct withholding clarify procedures and choice of law rules that all states will apply (once all have enacted UIFSA). This will improve uniformity for multi-state employers and prevent unnecessary litigation for state agencies and obligors.</p>
49	[new]	UIFSA	Direct inc. withholding.	
50	[new]	UIFSA	Direct inc. w'hold	
51	[new]	UIFSA	Direct inc. w'hold.	
52	[new]	UIFSA	Direct inc. w'hold.	
53	[new]	UIFSA	Direct inc. w'hold.	
54	23-9,605	UIFSA	Registration	
55	23-9,606	UIFSA	[technical change]	
56	23-9,607	UIFSA	[technical change]	
57	23-9,609	UIFSA	[technical change]	
58	23-9,610	UIFSA	[technical change]	

2-23

Sec. No.	KS Stat.; PRWORA §	Area	Topic	How provision(s) fit(s) into existing laws and procedures
59	23-9,611	UIFSA	Modification	
60	[new]	UIFSA	Change of jurisdiction	
61	[new]	UIFSA	Modification	
62	23-9,801	UIFSA	[technical change]	
63	23-9,902	UIFSA	Short title	
64	32-930 369	Recreational license sanctions	Lifetime licenses; not issued if IV-D arrears or warrant/subpoena; release	Federal law requires the State to create a sanction against recreational licenses for nonpayment of support or for noncompliance with a warrant or subpoena in a support proceeding. Although relatively few lifetime licenses are issued annually by the Dept. of Wildlife and Parks, the sanction proposed in this section does address the federal requirement. Regular hunting and fishing licenses, which are sold over the counter without any central registry or data base, do not lend themselves to an effective sanction.

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
65	38-1113 331	Parentage	How established; unrevoked vol ack	<p>Kansas enacted several changes to the Parentage Act in 1996 to address the requirements of OBRA '93. Only a handful of changes are needed to meet the new refinements.</p> <p>Perhaps the most radical change is the requirement that an unrevoked voluntary acknowledgement of paternity be treated as establishing paternity. Furthermore, state law cannot require <i>or permit</i> a judicial or administrative procedure to ratify the establishment. The proposed amendment to KSA 38-1113 is intended to accomplish this without doing violence to existing laws concerning presumptions of paternity.</p>
66	38-1115 331	Parentage	Action; revocation (60 days; proof)	<p>Kansas law presently requires a person wishing to revoke a voluntary acknowledgement of paternity to file an action with the court within one year of the child's birth. This is intended to minimize the emotional harm to the child that might result from such litigation. If the person requesting revocation was a minor at the time the acknowledgement was signed, the person is allowed to request revocation until age 19 -- if the child is more than one year old at that point, the court may refuse to permit the revocation if it is not in the child's best interests.</p> <p>The new federal law only allows revocation more than 60 days after the acknowledgement (or after a proceeding related to the child, if that is earlier) if the person wanting to revoke can show fraud, duress, or a material mistake of fact. Legal responsibilities arising from the acknowledgement can only be suspended during the action for good cause.</p>

58-8

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
67	38-1119	Parentage	Evidence; test experts; bills	Kansas law already provides for introduction of genetic test results as evidence; minor changes in language are needed to meet federal requirements. Evidence of costs related to pregnancy, birth, and genetic testing has normally been admitted under stipulations or under the "business record" exception to the hearsay rule. Subsection (e) is added to meet the technical requirements of the mandate.
68	38-1131	Parentage	Correct "blood test" reference; temporary support	Kansas law has not provided for temporary support during the pendency of a parentage case; this has encouraged slow resolution of cases to delay imposition of support orders. PRWORA requires temporary support orders when paternity is indicated by "clear and convincing evidence." The provisions of subsection (c) address this mandate and define circumstances which constitute such "clear and convincing evidence." When there is one presumed father, temporary support is required under the amendment if the man does not deny paternity, the mother and the man were married during her pregnancy, an unrevoked voluntary acknowledgement exists, or genetic tests show at least a 97% probability of paternity.
69	38-1137	Parentage	Voluntary acknowledgement programs	This section addresses the federal mandate that voluntary acknowledgement services be provided by the State's vital statistics agency. <i>See</i> §2.

2-26

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
70	38-1138	Parentage	Acknowledgment forms; disclosures (1 yr; minors; 60 days); oral disclosure.	Kansas law provides specific language for the disclosure of parental rights and responsibilities to persons who are thinking of signing a voluntary acknowledgement of paternity. These disclosures appear on the acknowledgement forms used by KDHE for birth registrations. The new federal law requires specific disclosure of special rights that minors have; subsection (b) is amended to do so. Federal law now requires that disclosures be made orally as well as in writing; subsection (c) provides that oral disclosure may be accomplished using audio recordings.
71	39-702	SRS	Definitions - add "Title IV-D"	Providing a standard definition of "title IV-D" allows simpler wording of other statutes in Article 7 of Chapter 39.
72	39-753	CSE	CSE program; "state case registry"	This statute governs the general operations of the CSE Program. Obsolete terminology, such as "health, education and welfare" (HEW), and statutory cross-references are updated. The substantive change is creation of the State Case Registry (SCR) in subsection (k). Defining the SCR as a component of the existing CSE data base will allow CSE to meet near-term reporting requirements without creating a separate automated system. The SCR will eventually include non-IV-D cases; by that time federal requirements should be more clearly defined and options for combining the SCR with other data bases (or transferring it) will be better understood.

2-27

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
73	39-758 325 & 315	Locating parents	Gov't agency cooperation; access to law enforcement & revenue records	This section is the public sector companion to §4 above. It is subject to the safeguards of KSA 29-759 (next section). Access to revenue records and law enforcement locate systems are specific requirements in the federal law. Other states' IV-D agencies would access revenue data through the Kansas CSE Program and would also be subject to the more severe nondisclosure requirements of KSA 79-3234. Interagency agreements to govern the protocols for requesting and transmitting information are authorized in subsection (f).
74	39-759 303	CSE	Unauthorized disclosure; safeguarding information	Expands the safeguards CSE must have concerning confidential information. In the past, information about the noncustodial parent could be disclosed unless the information came from a confidential source, such as DHR or the IRS. Beginning Oct. 1997 (date set by federal mandate), confidential information about either parent is to be safeguarded and used only as needed to administer the IV-D program. Special restrictions will apply if either person is subject to a restraining order, or if CSE has reason to believe release of the person's whereabouts could lead to physical or emotional harm. "Reason to believe" is defined, to protect the State from potential tort litigation based on an ambiguous, subjective standard.
75	44-514 314	Workers Compensation	Benefits; income withholding & liens	This section governs exemption of workers compensation from attachment. It is amended to accommodate the new provisions of §§26 and 34 (income withholding and liens).

88-2

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
76	60-2202 368	Liens on real property	Add interstate liens; perfected by filing	Kansas law meets the federal requirements for liens against real estate arising by operation of law, but only with respect to orders entered or registered in Kansas. The federal law requires that we give full faith and credit to liens that arise in other states. The amendment to this section does so, but requires that such liens be perfected by filing a notice in the county where the realty is located. This will assist title searchers in determining whether clear title exists or not.
77	60-2401 325(c) (1)(G)(iv)	Order of execution	Authorize SRS to issue execution to sheriff, copy to court file; steps then follow normal execution & sale	The amendment to this section incorporates the provisions of §24 above.
78	74-146 369	Licensing bodies	Add sanctions for subpoena or warrant	The amendments to this section incorporate the provisions of §3 above.
79	74-147 369	Licensing bodies	Notice; actions upon receiving notice; release	The amendments to this section incorporate the provisions of §3 above.
80	75-3306 325(c)(1)	SRS Fair Hearings	Access to admin. hearings in CSE matters	The amendments to this section incorporate the provisions of §15 above.

2-29

Sec. No.	KS Stat.; PRWORA S	Area	Topic	How provision(s) fit(s) into existing laws and procedures
81	79-3234 325(c)(1) (D)(i)(II)	Revenue Dept.	IV-D access to records	The amendments to this section incorporate the provisions of §73 above.
82	n/a	Sections repealed		
83	n/a	Date effective	Statute book	

JLC: Legis 97\CSE Bill\SenJudSubcomm\KEYMAP27.027

2-30

3/5/97 Stud. att# 3
Draft

SESSION OF 1997

SUPPLEMENTAL NOTE ON SENATE BILL NO. 140

As Amended by Senate Committee on
Judiciary

Brief*

S.B. 140 makes a number of changes in the law dealing with child support enforcement designed to comply with new federal mandates in this area. The following is a summary of the major provisions of the bill.

New Hires Directory. The bill creates a state directory of new hires. The Governor, by July 15, 1997, is required to designate either the Secretary of Human Resources or the Secretary of Social and Rehabilitation Services (SRS) to supervise the operation of the directory which must be implemented on or before October 1, 1997.

Employers of any newly hired employee are required to submit a report to the state directory regarding the new employee. The report may use the employee's W-4 form or an equivalent form showing the employee's name, address, and Social Security number and the employer's name, address, and federal employer identification number.

The state directory shall make information available to the national directory, to the Secretary of SRS for eligibility verification for the Title IV-D program and other uses, and to the Secretary of Human Resources for the administration of employment security and workers compensation programs (Section 1).

Paternity Establishment. The Secretary of Health and Environment shall offer voluntary paternity establishment services pursuant to federal regulations issued by the federal Secretary of Health and Human Services (Section 2). The father of a child may

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.ink.org/public/legislative/fulltext-bill.html>.

*Senate Judiciary
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3-5-97*

be established by voluntary acknowledgment in absence of a final judgment establishing paternity (Section 65). A voluntary acknowledgment of paternity can only be revoked by a showing of fraud, duress, or material mistake of fact unless the action to revoke is undertaken within 60 days after acknowledgment or is an action to establish a support order, whichever is earlier (Section 66). Medical and testing bills are admissible without foundation and are prima facie evidence (Section 67).

Income Withholding. The Kansas Income Withholding Act is amended to establish administrative procedures for issuing income withholding orders (see Sections 19-20) and to expand the instances in which a civil fine of not to exceed \$500 may be levied against an employer to include a failure to withhold support from income or to pay the amounts in the manner required under the act (Section 28). The definition of income is expanded to include workers compensation benefits (Section 26).

New Authority for Title IV-D Agency. Section 10 lists the general powers of the Secretary regarding the administration of the Title IV-D program. These include: to subpoena records to obtain financial or other information (see Section 16), including records of state agencies and political subdivisions (Section 73); to order genetic tests on the Secretary's own initiative or if requested by another Title IV-D agency (see Section 17); to order a change in payee's (Section 23); to order minimum arrearage payments (Section 18); and to seize by administrative levy accounts in financial institutions (Section 22).

The Secretary of SRS may issue orders of execution for payment of arrearages under the Code of Civil Procedure (see Sections 24 and 77).

Uniform Interstate Family Support Act. A number of amendments are made to the Uniform Interstate Family Support Act which Kansas adopted in ____ (see Sections 35 to 63). The federal law requires all states to adopt this Act. Revisions to the Uniform Act provide the following.

An employer is required to give a copy of an income withholding order received immediately to the employee (obligor); to treat an income withholding order from another state as if it had been

issued in that state. The employer is required to comply with the law of the state of the employee's principal place of employment in regard to the amount of the employer's processing fee and the maximum amount permitted to be withheld from the employee's income, and the time within which the employer must implement the order. If multiple income withholding orders are received, the employer must comply with the law of the state of the employee's principal place of employment.

Authority to Suspend or Restrict Professional and Driver's Licenses Supplemented—Recreational (Hunting and Fishing) Licenses. The bill supplements current law regarding the restriction of professional and occupational licenses and drivers licenses. Any court, in a support enforcement proceeding, which finds there is an outstanding warrant or subpoena with respect to an obligor who holds an occupational or professional license or driver's license may impose sanctions against the person until there is compliance with the warrant or subpoena. A court may order that notice be given to the professional licensing body for action by that body and the court may restrict the person's driving privileges. See Sections 3, 78, and 79.

Upon request of the Secretary of SRS, the Secretary of Wildlife and Parks shall not issue a lifetime hunting or fishing license to a person owing support arrearages.

Other Enforcement Procedures—Private Company Records; Liens. The Social Security number of an applicant for a professional license, occupational license, or marriage license, if available, must be recorded on the application.

Pursuant to an administrative subpoena, cable television companies and public utilities, and financial institutions must provide information about individuals and the individual's property or liabilities (see Sections 4, 5, and 16).

A lien arises by operation of law in any judgment or settlement award or workers compensation benefits as well as on real or personal property for unpaid support. Procedures for perfecting the lien are spelled out in detail (see Section 34). Arrearages from other states become a lien against the obligor's real property (see Section 76).

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Rm. 545N-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(913) 296-3181 ♦ FAX (913) 296-3824

KSLegRes@lr01.wpo.state.ks.us

<http://www.kumc.edu/kansas/ksleg/KLRD/klrd.html>

February 13, 1997

To: Senate Judiciary Committee
From: Mike Heim, Principal Analyst
Re: New Federal Child Support Law

The following is summary of the new federal child support requirements and is a condensed version of the 42-page law review article: "The Coming Revolution in Child Support Policy: Implications of the 1996 Welfare Act," *30 Family Law Quarterly*, 519 (1996).

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA" or the "Act"), P.L. No. 704-193, ushered in a fundamental redirection in government support systems for American families and ended the federal entitlement Aid to Families With Dependent Children (AFDC) and replaced it with block grants to the states. The federal law included within it little-known but sweeping changes in child support law.

Paternity

PRWORA compels changes in state laws and procedures in the area of child support enforcement through mandates imposed on states in the area of paternity establishment. The Act imposes a number of requirements to expand the scope of existing in-hospital paternity establishment programs and makes them more uniform. First, the legal status of a signed voluntary acknowledgment of paternity is clarified. States are required to provide that a signed voluntary acknowledgment of paternity is considered a legal finding of paternity subject to rescission within the earlier of 60 days or the date of an administrative or judicial proceeding in which the signatory is a party. After the 60-day period, the acknowledgment may only be challenged under limited circumstances, *i.e.*, fraud, duress, mistaken fact, and the burden is on the challenger.

Judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity and voluntary acknowledgments are entitled to full faith and credit in other states. The combined effect of these changes is that signing an acknowledgment of paternity will have definite, tangible consequences—it establishes paternity without any further legal action absent a challenge.

In recognition of the added significance of signing an acknowledgment of paternity, the Act provides that both the mother and the man acknowledging paternity must be given notice, orally and in writing, of the legal consequences and rights and responsibilities that arise from signing the acknowledgment.

Another requirement of the Act pertaining to voluntary paternity establishment is that the name of the father can be included on the record of birth *only* if the mother and father have

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signed a voluntary acknowledgment. This requirement was included as an inducement for fathers and mothers to sign acknowledgments of paternity and to provide uniform legal consequences arising from having the father's name on the birth certificate.

The Act requires states to take a number of steps to streamline their processes for paternity establishment. The key to these streamlined processes is "up-front" genetic testing—obtaining the genetic test as quickly as possible. Once the test is completed, the paternity issue is essentially resolved because the results will either exclude the father or result in a very high probability (in most cases, above 99 percent) of paternity. Most fathers typically admit paternity when faced with such test results, so the vast majority of cases can then be resolved by obtaining a signed acknowledgment.

This procedure precludes the necessity of first filing an action in court or having a court hearing. Under up-front genetic testing, all of the initial steps can be performed directly by the child support agency: ordering that the putative father submit to a genetic test, scheduling the test, and obtaining signed acknowledgments. The child support agency then simply files the matter with the court and registers the voluntary acknowledgment with the vital records agency.

In order to create this simplified process, the Act imposes a number of state mandates. First, states must provide authority for the state child support agency to order genetic tests "without the necessity of obtaining an order from any judicial or administrative tribunal." Put simply the child support agency must be able to administratively order a genetic test. States must have procedures which require parties in contested paternity proceedings to submit to a genetic test (subject to good cause exceptions or unless otherwise barred by state law), if the request is supported by a sworn statement setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties. The Act also requires the state agency to pay costs of genetic tests (subject to recoupment, if the state so elects, from the alleged father if paternity is established), and to obtain additional testing if an original test result is contested, upon advance payment by the contestant.

For those cases where the alleged father still seeks to contest the matter after a genetic test, the process is further streamlined and the incentive for delay is removed. Evidentiary rules are simplified by providing that the results of any genetic test are admissible if the test is of a type generally acknowledged to be reliable by accreditation bodies designated by the Secretary and performed by a laboratory approved by such an accreditation body. Bills for pregnancy, childbirth, and genetic tests are admissible without third-party foundation. In addition, states must have procedures for entering temporary orders for support if there is clear and convincing evidence of paternity (on the basis of a genetic test or otherwise). Finally, jury trials for paternity cases are eliminated.

Another area of paternity establishment process that is changed under PRWORA is in the area of required paternity cooperation. It has been a requirement since the inception of the program that recipients of AFDC assign their right to support and "cooperate" in establishing paternity and securing support. PRWORA addresses the whole cooperation issue by resorting to state flexibility. States are given broad flexibility to define what constitutes "cooperation," to define "good cause" for noncooperation, to determine the penalty for noncooperation (but not less than 25 percent of the family grant), and to determine which agency (welfare or child support) makes the "good cause" determination.

Collecting Support

The vision for child support enforcement that guided much of the development of the federal legislation is that the payment of child support should be automatic and inescapable—"like death or taxes." This vision is reflected in three key elements:

1. access to information—the ability to locate individuals and assets;
2. mass case processing—the capacity to work cases in volume using computers, automation, and information technology; and
3. pro-active enforcement—the ability to take enforcement action automatically, preferably administratively, without reliance on a complaint-driven process. Each of these elements interacts and supports the other.

New Hires Registry. A national system of reporting of new hires through a national directory as part of the Work and Responsibility Act of 1994 (WRA) was subsequently incorporated in the PRWORA. In this new national system, all employers in the country will be required to report new hires within 20 days of hire to a designated state agency. The information will first be matched with information in a state registry of child support orders to find obligors within the state. Then the state agency will forward the new hire information to a National Directory of New Hires to be matched against the Federal Case Registry of child support orders. The National Directory and Federal Case Registry will function as part of the existing Federal Parent Locator Service (FPLS), thereby greatly expanding the information matching capacity of the FPLS which can already access information from a variety of federal data sources.

This national new hire program will revolutionize interstate enforcement because it dramatically improves the capacity to trace delinquent parents across state lines. About 30 percent of child support cases are currently interstate cases, so the potential for increased collections is enormous.

Uniform Interstate Family Support Act Mandated. The PRWORA mandates that all states adopt the Uniform Interstate Family Support Act (UIFSA). Under UIFSA, state agencies can send income withholding orders directly across state lines to employers. Thus, within days of starting work in another state, the noncustodial parent could have his or her income attached and the children could begin receiving child support. It has been estimated that a national program of reporting of new hires could result in additional child support collections of \$6.4 billion, and additional savings in reduced welfare costs to the federal government of \$1.1 billion over a ten-year period.

Under the Act, all states are required to adopt the UIFSA, a uniform state law approved by the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1992. The Act requires that the 1992 version of UIFSA be enacted "as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998," by NCCUSL. UIFSA replaces a previous uniform act, the Uniform Reciprocal Enforcement of Support Act (URESAs). UIFSA is a significant departure from URESAs, and should dramatically improve the ability of parents to obtain child support across state lines. Under UIFSA, all states will have long-arm statutes; there will be only one controlling order; states can

modify orders only if they have jurisdiction under the Act; choice of law is specified; there is direct income withholding between states; and other procedures and evidentiary rules will be uniform.

Another prominent enforcement remedy required under the Act is the authority to revoke drivers, professional, occupational, and recreational licenses. This remedy is especially useful in forcing these obligors who are self-employed to comply. States are given broad authority to determine the due process for doing so, but all states must have and use such authority. Preliminary reports from a number of states indicate that license revocation can significantly boost collections.

Numerous other changes will also improve enforcement, including rights to notifications of hearings, requirements for a presumed address of the obligor, improving enforcement of child support obligations in international cases by providing authority for the U.S. State Department to enter reciprocal agreements with foreign nations, authority for courts to impose work requirements, expanded and simplified wage withholding, denial of passports by the Secretary of State for nonpayment, requirements for laws voiding fraudulent transfer, improvements to full faith and credit for child support orders, expanded reporting to credit bureaus, child support enforcement for Indian tribes, enforcement of orders for health care coverage, and enhanced enforcement against government employees. Finally, the Act opens up more room for privatization, an ongoing trend in child support enforcement that is likely to accelerate in the coming years as states continue to try to find ways to deliver services with fewer state employees.

Access To Other Public and Private Records. The Federal Act also provides that the state child support agency must have access to two important categories of records. The first category is records of state and local government agencies, including vital statistics; state and local tax and revenue records; records concerning real and titled personal property; records of occupational and professional licenses; records concerning the ownership and control of corporations, partnerships, and other business entities; employment security records; records of agencies administering public assistance programs; records of motor vehicle departments; and corrections records. In addition, a U.S. military locate system will allow persons in the military to be located instantly. Finally, certain motor vehicle and law enforcement records also can be accessed.

The second category of records that the child support agency will have access to is certain records held by private entities, including customer records of public utilities and cable television companies and information (including assets and liabilities) on individuals who owe support held by financial institutions. In addition, information from credit histories can be used to establish and modify child support orders, as well as to enforce orders.

The Act further provides that access to these records must be automated if the records are maintained in automated databases and that certain state records must use Social Security numbers so that records can be easily matched by computer. Finally, states must enter into agreements with financial institutions doing business in the state to develop and operate a data match system in which the financial institution provides the name, address, and Social Security number for each noncustodial parent who maintains an account at the institution and who owes past-due child support. This financial institution information will provide a simple and effective way to collect child support through a "bank match" process. Under the bank match process, magnetic tapes of delinquent obligors are matched against tapes of account holders. When a match is made identifying a delinquent obligor with an account, the IV-D agency verifies

whether the past-due support is still owed. If so, the IV-D agency issues a levy on the account and the financial institution forwards the money (up to the amount of the past-due obligation) to the IV-D agency.

Mass Case Processing and Expanded Use of Liens. Mass case processing, the handling of cases in volume using advanced technology, is another key element in the future collection system. Mass case processing requires that case information and payment records be computerized. These records are then matched against other databases, such as the state unemployment compensation records, workers compensation records, or bank account records.

Mass case processing involves two steps: (1) matching of lists of delinquent obligors with assets or income records; and (2) an efficient means of capturing the assets or income necessary to meet the child support obligation. The first step requires access to information. The second step requires the use of automatic wage assignments, in the case of income, and liens, in the case of assets.

Under current law, unpaid support payments become a judgment by operation of law. The PRWORA builds upon this existing law through two major changes. It provides that liens on the unpaid child support obligations must additionally arise by operation of law and that the liens must be able to be imposed administratively. The effect of these combined requirements is that the child support agency can administratively issue a lien based on any unpaid child support obligation and does not have to go back to court to get either a judgment or lien prior to garnishment or attachment. The lien can then be used as the basis for tax refund offsets, licenses revocation, levy and seizure of bank accounts, and seizure of government benefits, lottery winnings, and other assets (not otherwise exempt by law). States are given flexibility to fashion due process requirements as long as they do not require judicial issuance of the lien.

The bank match system is an example of how mass case processing works. Under the Act in response to a notice of lien or levy, the financial institution must encumber or surrender, as the case may be, assets held by the obligor of the child support obligation. Thus, a bank account can both be identified and seized very quickly.

Liens can also be used to collect child support across state lines. Under the Act, states must accord full faith and credit to liens arising in another state without registration of the underlying order. Furthermore, states are required to implement administrative enforcement in interstate cases by responding to requests for assistance from another state within five days. These provisions effectively allow a state to issue liens administratively and send them to the neighboring states, which will then run a computer match against its information sources to determine if there are assets in that state that can be seized. In most cases, bank accounts are a likely source that can be seized easily and quickly.

Central Registry of Orders and Central Collection. The PRWORA imposes two state requirements that will vastly facilitate mass case processing: (1) central state registries of child support orders, and (2) centralized collection and disbursement units.

Central state registries of child support orders are registries that maintain current records of all child support orders. They are required to contain all new and modified orders and must maintain and update payment records. The registry must also be capable of extracting data for matching with other databases. This state registry requirement is designed to end the current

system of fragmented state records which often makes it virtually impossible to determine what action has been taken by multiple caseworkers or courts within a state. A basic extract of the information in the state case registry—name, Social Security number, and case identifier—will be sent to a Federal Case Registry for matching against the National Directory of New Hires and other FPLS data sources. Only IV-D cases will be matched with these databases.

The state child support registries also work in conjunction with the required state “centralized collection and disbursement unit.” The requirements of the Act are:

- 1.the state must operate a single centralized automated unit, coordinated with the central registry and systems requirements;
- 2.the state must have sufficient state staff (state employees or contractors reporting to the state agency) to monitor and enforce support collections through the centralized unit;
- 3.the unit must be operated directly by the state agency, but could be contracted out to private companies;
- 4.it must be used for all cases being enforced by the state and all income withholding cases, including non-IV-D income withholding;
- 5.the unit must use automated procedures, electronic processes, and computer driven technology; and
- 6.the unit must receive payments, identify payments, disburse payments, and furnish information to parents, upon request, on current status of support payments.

Expedited Procedures. The PRWORA child support provisions do not mandate that all states adopt full administrative process systems, instead, they provide that states must have certain “expedited procedures” for handling the routine cases. These expedited procedures grant authority to the state child support agency to take certain routine enforcement steps “without the necessity of obtaining an order from any other judicial or administrative tribunal.” This distinction is an important one: child support agencies will have sufficient administrative authority to process the vast majority of cases without requiring prior court intervention, yet states can maintain limited court-based processes for the collection of support to the extent that they are necessary for the exceptional cases.

The required expedited procedures under the Act include ordering a genetic test; subpoenaing information, or requiring entities in the state to provide employment information (and imposing penalties or sanctions for failure to respond to subpoenas); accessing certain records; changing payees in cases of assignment; ordering income withholding; intercepting or seizing period or lump-sum payments (including unemployment compensation, workers’ compensation, other state benefits, judgments, settlements, and lotteries); attaching and seizing assets of the obligor held in financial institutions; attaching public and private retirement funds; imposing liens (and, in appropriate cases, forcing the sale of property and the distribution of proceeds); and increasing the amount of the monthly payment to cover amounts for arrearages.

Two related requirements of the Act are essential to pro-active mass case processing. First, in order to work efficiently, the state must have the capability of imposing expedited enforcement measures through a central state office. In other words, there must be one computer match of all the state child support obligors against the state new hire directory, there must be one computer match against the state unemployment compensation records, there must be one computer match against the financial institutions data, etc. Second, the expedited enforcement processes must be initiated through that central state unit. These procedures cannot be left to individual county agencies to do individually, because that would perpetuate the existing inefficiencies. Therefore, the Act provides a requirement that the state unit have sufficient state staff to monitor and enforce support obligations through the centralized unit and provides statewide jurisdiction over the parties.

Modification of Awards, Distribution, and Pass-Through

The PRWORA allows a state to choose one of three routes in making child support award review and adjustments. States will have the option to continue the review and adjustment process against the guidelines, as under existing law, or, alternatively, to make a cost-of-living adjustment or to conduct an automated review. If either of the latter two options is chosen, the state must provide notice and opportunity to allow the parties to contest the adjustment and have the review made against the guidelines. Review and adjustments under these three options are only required to be made upon request of the parties or, in welfare cases, at the request of either the state agency or parents. These three-year reviews and adjustments do not require proof of a change in circumstances. States must give notice to parents every three years of the right to request a review. Adjustments outside the three-year cycle can be made, but require a showing of a substantial change in circumstances. Also, states are required to perform a review and adjustment only if a party (or the state in the case of a welfare recipient) requests one. This is one area where the PRWORA actually takes a step backwards since review is no longer mandatory in welfare cases.

Another provision of the PRWORA provides more child support to families who have *left* welfare and help them stay off welfare. The new "family first" distribution policy provides that families who have left welfare must be paid all the child support arrears due them prior to payment to the state. This change will result in billions of dollars of child support flowing to families that have left welfare, a group that is overwhelmingly poor. In an era of block grants and time limited welfare, the receipt of child support for this group is especially significant.

On the other hand, persons *on* welfare will be negatively impacted by one change made by the PRWORA. Because of the block grant changes to the AFDC program, states are no longer required to provide a \$50 pass-through of child support to cash assistance recipients.

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KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Office of the Secretary
(913) 296-3271
(913) 296-4685 (fax)

Rochelle Chronister
Secretary

Janet Schalansky
Deputy Secretary

MEMORANDUM

TO: Members of the Kansas Legislature **DATE:** March 5, 1997

FROM: Rochelle Chronister **SUBJECT:** SB 140
Secretary

Attached, please find additional information that was requested on SB 140.

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Attachment 5
3-5-97

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Child Support Enforcement Program

MEMORANDUM

TO : Rochelle Chronister
cc: John Badger
Diane Dykstra

DATE : March 4, 1997

FROM: J.A. Robertson 

SUBJECT: CSE Welfare Reform
Issues

Diane Dykstra passed along your request for information concerning CSE portions of welfare reform.

- The federal penalty for non compliance is \$29 million (all CSE funding), plus 1-5% of the public assistance block grant. Penalties in this latter category are progressive. If Kansas refuses to enact after several years, the ultimate penalty could be withdrawal of all TANF funding. Without a child support program, revenue production of \$18 million and cost savings from case closure and medical (approx. \$20 million) would be lost.
- Status of legislation in other surrounding state:

Missouri - has a House and Senate bill which are nearly identical. Both have been voted out of committee and will go to the full House and Senate for vote soon. No opposition, bills are on the fast track and will pass.

Nebraska - Public hearing last Wednesday, February 26, 1996, no opposition other than minimal from obligor groups. Will go to full legislature soon. High expectation for enactment of whole package.

Iowa - 150 page bill for this year introduced to House subcommittee on Human Resources March 3, 1996. Scheduled for debate in the House soon. Chair of Human Resources committee added numerous amendments to strengthen the bill. No significant opposition anticipated, expect enactment of federal requirements.

Texas - bill drafted but not yet introduced. The plan is to incorporate the CSE requirements into one large bill that covers all welfare reform. The Lt. governor will sponsor. According to IV-D Director, Cecelia Burke, passage "is a certainty".

CSE Welfare Reform Issues

March 4, 1997

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Colorado - Bill introduced in House Judiciary which has accepted the bill and referred it to House Appropriations because they had an 11 staff, \$3.5 million fiscal note. When passed in House, it will go to Senate. Two areas of concern expressed: car dealers did not like liens on personal property and the bankers who also asked for five cents per submission.

Colorado IV-D Director expects passage.

Illinois - Several bills have been offered to comply with federal requirements; some have been introduced, some not yet. Expect enactment by May adjournment.

JAR:vr