

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 301

Short Title: Child Support/Fed. Req.

(Public)

Sponsors: Representatives Gardner, Culpepper (Cosponsors); Davis, Capps, Morris, and Shubert.

Referred to: Welfare Reform.

February 24, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CHILD
3 SUPPORT ENFORCEMENT IN ORDER TO ENHANCE CHILD SUPPORT
4 ENFORCEMENT AND PATERNITY ESTABLISHMENT IN CONFORMANCE
5 WITH FEDERAL WELFARE REFORM REQUIREMENTS.

6 The General Assembly of North Carolina enacts:

7 **PART 1. STATE DIRECTORY OF NEW HIRES.**

8 Section 1. Effective October 1, 1997, Article 1 of Chapter 96 of the General
9 Statutes is amended by adding the following new section to read:

10 "**§ 96-4.1. State Directory of New Hires established; employers required to report;**
11 **civil penalties for noncompliance; definitions.**

12 (a) Directory Established. – There is established the State Directory of New Hires.
13 The Directory shall be developed and maintained by the Commission, in consultation
14 with the Department of Human Resources. The Directory shall be a central repository for
15 employment information to assist in the location of persons owing child support. The
16 Department of Human Resources shall have direct access to the Directory.

17 (b) Employer Reporting. – Every employer in this State shall report to the
18 Directory the following information:

- 1 (1) The hiring of any person who resides in this State to whom the
2 employer anticipates paying earnings, and
3 (2) The hiring or return to work of any employee who was laid off,
4 furloughed, separated, granted leave without pay, or terminated from
5 employment.

6 The employer shall report the information required under this section not later than 20
7 days from the date of hire, or, in the case of an employer who transmits new hire reports
8 magnetically or electronically by two monthly transmissions, not less than 12 nor more
9 than 16 days apart.

10 (c) Report Contents. – Each report required by this section shall contain the name,
11 address and social security number of the employee, and the name and address of the
12 employer and the employer's identifying number assigned under section 6109 of the
13 Internal Revenue Code of 1986. Reports shall be made on the W-4 form or, at the option
14 of the employer, an equivalent form, and may be transmitted magnetically, electronically,
15 or by first-class mail.

16 (d) Penalties for Failure to Report. – The Commission shall impose a civil
17 monetary penalty in the amount of twenty dollars (\$20.00) on an employer who fails to
18 comply with the reporting requirements of this section. The Commission shall impose a
19 civil monetary penalty on the employer in the amount of four hundred fifty dollars
20 (\$450.00) upon a finding that the failure to comply is the result of a conspiracy between
21 the employer and the employee to not supply the required report or to supply a false or
22 incomplete report. Penalties collected under this subsection shall be deposited to the
23 General Fund.

24 (e) Entry of Report Data Into Directory. – Within five business days of receipt of
25 the report from the employer, the Commission shall enter the information from the report
26 into the Directory. Within three business days after the date information regarding newly
27 hired employees is entered into the Directory, the Commission shall furnish the
28 information to the National Directory of New Hires.

29 (f) Notice to Employer to Withhold. – Within two business days of the date the
30 information was entered into the Directory, the IV-D agency shall transmit notice to the
31 employer of the newly hired employee directing the employer to withhold from the
32 income of the employee an amount equal to the monthly or other periodic child support
33 obligation, including any past-due support obligation of the employee, unless the
34 employee's income is not subject to withholding.

35 (g) Information to National Directory. – The Commission shall, on a quarterly
36 basis, furnish to the National Directory of New Hires extracts of the reports required to be
37 made to the United States Secretary of Labor concerning the wages and unemployment
38 compensation paid to individuals, by such dates, in such format, and containing such
39 information as required by federal regulations promulgated by the United States
40 Secretary of Health and Human Services.

41 (h) Directory Information Comparisons. – Not later than May 1, 1998, the
42 Directory shall be capable of conducting automated comparisons of the social security
43 numbers reported by employers to the Directory and the social security numbers

1 appearing in the records of the Automated Case Tracking System (ACTS) operated by
2 the Department of Human Resources.

3 (i) Other Uses of Directory Information. – The IV-D agency shall use information
4 received pursuant to subsection (h) of this section to locate individuals for purposes of
5 establishing paternity and establishing, modifying, and enforcing child support
6 obligations. The Commission may access information entered into the Directory from
7 employer reports for the purpose of administering employment security programs. The
8 North Carolina Industrial Commission may access information entered into the Directory
9 from employer reports for the purpose of administering workers' compensation programs.

10 (j) Cooperation Between Commission and Department of Human Resources. –
11 The Commission shall develop and implement the Directory established under this
12 section in consultation and cooperation with the Department of Human Resources to
13 ensure that the requirements of this section and federal law are met.

14 (k) Definitions. – As used in this section, unless the context clearly requires
15 otherwise, the term:

16 (1) 'Business day' means a day on which State offices are open for
17 business.

18 (2) 'Commission' means the Employment Security Commission.

19 (3) 'Department' means the Department of Human Resources.

20 (4) 'Employee' means an individual who is an employee within the meaning
21 of Chapter 24 of the Internal Revenue Code of 1986. The term
22 'employee' does not include an employee of a federal or State agency
23 performing intelligence or counterintelligence functions, if the head of
24 the agency has determined that reporting information as required under
25 this section could endanger the safety of the employee or compromise
26 an ongoing investigation or intelligence mission.

27 (5) 'Employer' has the meaning given the term in section 3401(d) of the
28 Internal Revenue Code of 1986 and includes persons who are self-
29 employed, independent contractors, governmental entities, and labor
30 organizations. The term 'labor organization' shall have the meaning
31 given that term in section 2(5) of the National Labor Relations Act, and
32 includes any entity which is used by the organization and an employer
33 to carry out requirements described in section 8(f)(3) of the National
34 Labor Relations Act of an agreement between the organization and the
35 employer.

36 (6) 'IV-D agency' means the Child Support Enforcement Program of the
37 Department of Human Resources."

38 PART 2. EXPANDED AUTHORITY OF THE DEPARTMENT TO ENFORCE 39 CHILD SUPPORT ORDERS AND TO ESTABLISH PATERNITY.

40 Section 2. Chapter 110 of the General Statutes is amended by adding the
41 following new section to read:

42 "**§ 110-129.1. Powers and duties of the Child Support Enforcement Program.**

1 (a) In addition to other powers and duties conferred upon the Department of
2 Human Resources, Child Support Enforcement Program, by this Chapter or other State
3 law, the Department shall have the following powers and duties:

4 (1) Upon authorization of the Secretary, to issue a subpoena for the
5 production of information or documents required under this Chapter or
6 other State law for the enforcement of child support orders. The
7 subpoena shall be signed by the Secretary and shall state the name of the
8 person or entity required under State law to produce the information,
9 and a description of the papers, documents, or records compelled to be
10 produced. The subpoena may be served by a member of the State
11 Bureau of Investigation, the State Highway Patrol, or within their
12 respective jurisdiction by any sheriff or deputy, or any municipal police
13 officer or other law enforcement officer. In addition, the subpoena may
14 be served in the manner provided for service of subpoenas under the
15 North Carolina Rules of Civil Procedure. The form of subpoena shall
16 generally follow the practice in the General Court of Justice in North
17 Carolina. Return of the subpoena shall be to the Secretary, who shall
18 maintain a permanent record for five years. Upon the refusal of any
19 person to comply with the subpoena, it shall be the duty of any judge of
20 the superior court, upon application by the Secretary or his
21 representative, to order the person to show cause why he should not
22 comply with the requirements, if in the discretion of the judge the
23 requirements are reasonable and proper. Refusal to comply with the
24 order of the judge of the superior court shall be dealt with as for
25 contempt of court.

26 (2) For the purposes of locating persons to establish paternity or to enforce
27 child support or child custody and visitation orders, the Child Support
28 Enforcement Program shall have direct access to any information or
29 data storage and retrieval system maintained and used by the
30 Department of Transportation for drivers license issuance or motor
31 vehicle registration, or by a law enforcement agency of this State for
32 law enforcement purposes.

33 (3) Establish and implement procedures under which either parent or, in the
34 case of an assignment of support, the State may request that a child
35 support order enforced under this Chapter be reviewed and, if
36 appropriate, adjusted in accordance with the most recently adopted
37 uniform statewide child support guidelines prescribed by the
38 Conference of Chief District Court Judges. Notwithstanding G.S. 50-
39 13.7, but subject to the limitations of G.S. 50-13.10, the procedures
40 shall provide that review shall be conducted and an adjustment may be
41 made once every three years upon the request of either parent without a
42 showing of changed circumstances. The procedures shall further
43 provide that upon a showing of changed circumstances and subject to

1 the limitations of G.S. 50-13.10, review and adjustment may be made
2 more frequently than once every three years upon request of either
3 parent or, if there is an assignment of support upon the request of the
4 State.

5 (4) Develop procedures for entering into agreements with financial
6 institutions doing business in this State:

7 a. To develop and operate a data match system. The system shall
8 be designed to enable the financial institution to provide on a
9 quarterly basis the information required under G.S. 110-139 and
10 any other information contained in the financial records of the
11 financial institution concerning a person owing child support,
12 provided that the Department certifies to the financial institution
13 that the person about whom the information is requested is
14 subject to a child support order and the information is necessary
15 to enforce the order; and

16 b. In response to notice of lien or levy, to encumber or surrender, as
17 the case may be, assets held by the institution on behalf of any
18 noncustodial parent who is subject to a child support lien.

19 The Department may pay a reasonable fee to the financial institution for
20 conducting the data match provided that the fee shall not exceed the
21 actual costs incurred by the financial institution to conduct the match.

22 Agreements entered into under this subdivision shall provide that the
23 financial institution shall not be liable under any State law to any person
24 for:

25 c. Disclosure of information to the State agency under this
26 subdivision,

27 d. Encumbering or surrendering any assets held by the financial
28 institution in response to a notice of lien or levy issued by the
29 Department under this subdivision, and

30 e. Any other action taken by the financial institution in good faith to
31 comply with this subdivision.

32 As used in this subdivision, a financial institution includes federal,
33 State, commercial, or savings banks, savings and loan associations and
34 cooperative banks, federal or State chartered credit unions, benefit
35 associations, insurance companies, safe deposit companies, money
36 market mutual funds, and investment companies doing business in this
37 State or incorporated under the laws of this State.

38 (5) Develop procedures for ensuring that when a noncustodial parent
39 providing health care coverage changes employers, and is eligible for
40 health care coverage from the new employer, notice of the medical
41 support order is transferred to the new employer and operates to enroll
42 the child in the health care plan offered by the new employer.

- 1 (6) Develop and implement an administrative process for paternity
2 establishment. Under this process the Department shall:
3 a. In cases where paternity is contested, order genetic testing of the
4 child and all other parties upon request of any party who submits
5 a sworn statement:
6 1. Alleging paternity, and setting forth facts establishing a
7 reasonable possibility of the requisite sexual contact
8 between the parties, or
9 2. Denying paternity, and setting forth facts establishing a
10 reasonable possibility of the nonexistence of sexual
11 contact between the parties;
12 b. Pay the costs of genetic tests ordered by the Department, subject
13 to recoupment from the alleged father if paternity is established;
14 and
15 c. Obtain additional testing in any case if an original test result is
16 contested, upon request and advance payment by the contestant.
17 (7) Establish a voluntary process for the establishment of paternity that
18 includes written notice to both parties of the legal rights of the parties
19 and the legal consequences of paternity acknowledgment and
20 affirmation."

21 **PART 3. AUTHORIZE JUDGES TO IMPOSE WORK REQUIREMENTS ON**
22 **OBLIGORS WHO ARE IN ARREARS IN CHILD SUPPORT, AND TO**
23 **REQUIRE PARENTS TO PROVIDE MEDICAL SUPPORT.**

24 Section 3. G.S. 110-136.3 is amended by adding the following new subsection
25 to read:

26 "(a1) Payment Plan/Work Requirement for Past-Due Support. In any case in which
27 an obligor owes past-due support and income withholding has been ordered but cannot be
28 implemented against the obligor, the court may order the obligor to pay the support in
29 accordance with a payment plan approved by the court and, if the obligor is subject to the
30 payment plan and is not incapacitated, the court may order the obligor to participate in
31 such work activities as the court deems appropriate."

32 Section 3.1. G.S. 50-13.9(d) reads as rewritten:

33 "(d) In a non-IV-D case, when an obligor fails to make a required payment of child
34 support and is in arrears, the clerk of superior court shall mail by regular mail to the last
35 known address of the obligor a notice of delinquency. The notice shall set out the
36 amount of child support currently due and shall demand immediate payment of said
37 amount. The notice shall also state that failure to make immediate payment will result in
38 the issuance by the court of an enforcement order requiring the obligor to appear before a
39 district court judge and show cause why the support obligation should not be enforced by
40 income withholding, contempt of court, revocation of licensing privileges, or other
41 appropriate means. Failure to receive the delinquency notice shall not be a defense in any
42 subsequent proceeding. Sending the notice of delinquency shall be in the discretion of
43 the clerk if the clerk has, during the previous 12 months, sent a notice or notices of

1 delinquency to the obligor for nonpayment, or if income withholding has been
2 implemented against the obligor or the obligor has been previously found in contempt for
3 nonpayment under the same child support order.

4 If the arrearage is not paid in full within 21 days after the mailing of the delinquency
5 notice, or without waiting the 21 days if the clerk has elected not to mail a delinquency
6 notice for any of the reasons provided herein, the clerk shall cause an enforcement order
7 to be issued and shall issue a notice of hearing before a district court judge. The
8 enforcement order shall order the obligor to appear and show cause why he should not be
9 subjected to income withholding or adjudged in contempt of court, or both, and shall
10 order the obligor to bring to the hearing records and information relating to his
11 employment, his licensing privileges, and the amount and sources of his disposable
12 income. The enforcement order shall state:

- 13 (1) That the obligor is under a court order to provide child support, the
14 name of each child for whose benefit support is due, and information
15 sufficient to identify the order;
- 16 (2) That the obligor is delinquent and the amount of overdue support;
- 17 (2a) That the court may order the revocation of some or all of the obligor's
18 licensing privileges if the obligor is delinquent in an amount equal to the
19 support due for one month;
- 20 (3) That the court may order income withholding if the obligor is delinquent
21 in an amount equal to the support due for one month;
- 22 (3a) That the court may order the obligor to pay the support in accordance
23 with a plan approved by the court and, if the obligor is subject to the
24 payment plan and is not incapacitated, the court may order the obligor to
25 participate in such work activities as the court deems appropriate.
- 26 (4) That income withholding, if implemented, will apply to the obligor's
27 current payors and all subsequent payors and will be continued until
28 terminated pursuant to G.S. 110-136.10;
- 29 (5) That failure to bring to the hearing records and information relating to
30 his employment and the amount and sources of his disposable income
31 will be grounds for contempt;
- 32 (6) That if income withholding is not an available or appropriate remedy,
33 the court may determine whether the obligor is in contempt or whether
34 any other enforcement remedy is appropriate.

35 The enforcement order may be signed by the clerk or a district court judge, and shall be
36 served on the obligor pursuant to G.S. 1A-1, Rule 4, Rules of Civil Procedure. The clerk
37 shall also notify the party to whom support is owed of the pending hearing. The clerk
38 may withdraw the order to the supporting party upon receipt of the delinquent payment.
39 On motion of the person to whom support is owed, with the approval of the district court
40 judge, if the district court judge finds it is in the best interest of the child, no enforcement
41 order shall be issued.

42 When the matter comes before the court, the court shall proceed as in the case of a
43 motion for income withholding under G.S. 110-136.5. If income withholding is not an

1 available or adequate remedy, the court may proceed with contempt, imposition of a lien,
2 or other available, appropriate enforcement remedies.

3 This subsection shall apply only to non-IV-D cases, except that the clerk shall issue
4 an enforcement order in a IV-D case when requested to do so by an IV-D obligee."

5 Section 3.2. G.S. 50-13.11 reads as rewritten:

6 **"§ 50-13.11. Orders and agreements regarding medical support for minor children.**

7 (a) The court ~~may~~shall order a parent of a minor child or other responsible party
8 to provide medical support for the child, or the parties may enter into a written agreement
9 regarding medical support for the child. An order or agreement for medical support ~~may~~
10 shall require one or both parties to maintain health insurance, dental insurance, or both,
11 when insurance is available at a reasonable cost, or to pay the medical, hospital, or dental
12 expenses.

13 (b) The party ordered or under agreement to provide medical insurance shall
14 provide written notice of any change in the applicable insurance coverage to the other
15 party.

16 (c) The employer or insurer of the party required to provide medical, hospital, and
17 dental insurance shall release to the other party, upon written request, any information on
18 a minor child's insurance coverage that the employer or insurer may release to the party
19 required to provide medical, hospital, and dental insurance.

20 (d) When a court order or agreement for medical insurance is in effect, the
21 signature of either party shall be valid authorization to the insurer to process an insurance
22 claim on behalf of a minor child.

23 (e) If the party who is required to provide medical insurance fails to maintain the
24 insurance coverage for the minor child, the party shall be liable for any medical, hospital,
25 or dental expenses incurred from the date of the court order or agreement that would have
26 been covered by insurance if it had been in force."

27 Section 3.3. G.S. 108A-69(b) reads as rewritten:

28 "(b) If a parent is required by a court or administrative order to provide health
29 benefit plan coverage for a child, and the parent is eligible for family health benefit plan
30 coverage through an employer doing business in this State, the employer:

31 (1) Must allow the parent to enroll, under family coverage, the child if the
32 child would be otherwise eligible for coverage without regard to any
33 enrollment season restrictions.

34 (2) Must enroll the child under family coverage upon application of the
35 child's other parent or upon receipt of notice from the Department of
36 Human Resources in connection with its administration of the Medical
37 Assistance or Child Support Enforcement Program if the parent is
38 enrolled but fails to make application to obtain coverage for the child.

39 (3) May not disenroll or eliminate coverage of the child unless:

40 a. The employer is provided satisfactory written evidence that:

41 1. The court or administrative order is no longer in effect; or

- 1 2. The child is or will be enrolled in comparable health
2 benefit plan coverage that will take effect not later than
3 the effective date of disenrollment; or
4 b. The employer has eliminated family health benefit plan coverage
5 for all of its employees.
6 (4) Must withhold from the employee's compensation the employee's share,
7 if any, of premiums for health benefit plan coverage, not to exceed the
8 maximum amount permitted to be withheld under section 303(b) of the
9 federal Consumer Credit Protection Act, as amended; and must pay this
10 amount to the health insurer; subject to regulations, if any, adopted by
11 the Secretary of the U.S. Department of Health and Human Services."

12 **PART 4. REQUIREMENT TO PROVIDE SOCIAL SECURITY NUMBERS ON**
13 **PATERNITY ORDERS AND APPLICATIONS FOR OCCUPATIONAL**
14 **LICENSES; INFORMATION FROM FINANCIAL RECORDS OF FINANCIAL**
15 **INSTITUTIONS.**

16 Section 4. G.S. 110-132 reads as rewritten:

17 **"§ 110-132. Acknowledgment of paternity and agreement to support.**

18 (a) In lieu of or in conclusion of any legal proceeding instituted to establish
19 paternity, the written acknowledgment of paternity executed by the putative father of the
20 dependent child when accompanied by a written affirmation of paternity executed and
21 sworn to by the mother of the dependent child and filed with and approved by a judge of
22 the district court in the county where the mother of the child resides or is found, or in the
23 county where the putative father resides or is found, or in the county where the child
24 resides or is found shall have the same force and effect as a judgment of that court; and a
25 written agreement to support said child by periodic payments, which may include
26 provision for reimbursement for medical expenses incident to the pregnancy and the birth
27 of the child, accrued maintenance and reasonable expense of prosecution of the paternity
28 action, when acknowledged as provided herein, filed with, and approved by a judge of
29 the district court at any time, shall have the same force and effect as an order of support
30 entered by that court, and shall be enforceable and subject to modification in the same
31 manner as is provided by law for orders of the court in such cases. Such written
32 affirmations, acknowledgments and agreements to support shall contain the social
33 security number of the person executing the affirmation, acknowledgment, or agreement
34 and shall be sworn to before a certifying officer or notary public or the equivalent or
35 corresponding person of the state, territory, or foreign country where the affirmation,
36 acknowledgment, or agreement is made, and shall be binding on the person executing the
37 same whether he is an adult or a minor. Such mother shall not be excused from making
38 such affirmation on the grounds that it may tend to disgrace or incriminate her; nor shall
39 she thereafter be prosecuted for any criminal act involved in the conception of the child
40 as to whose paternity she makes affirmation."

41 (b) At any time after the filing with the district court of an acknowledgment of
42 paternity, upon the application of any interested party, the court or any judge thereof shall
43 cause a summons signed by him or by the clerk or assistant clerk of superior court, to be

1 issued, requiring the putative father to appear in court at a time and place named therein,
2 to show cause, if any he has, why the court should not enter an order for the support of
3 the child by periodic payments, which order may include provision for reimbursement for
4 medical expenses incident to the pregnancy and the birth of the child, accrued
5 maintenance and reasonable expense of the action under this subsection on the
6 acknowledgment of paternity previously filed with said court. The amount of child
7 support payments so ordered shall be determined as provided in G.S. 50-13.4(c). The
8 order shall include the social security number contained in the acknowledgment. The
9 prior judgment as to paternity shall be res judicata as to that issue and shall not be
10 reconsidered by the court."

11 Section 4.1. G.S. 110-133 reads as rewritten:

12 **"§ 110-133. Agreements of support.**

13 In lieu of or in conclusion of any legal proceeding instituted to obtain support from a
14 responsible parent for a dependent child born of the marriage, a written agreement to
15 support the child by periodic payments executed by the responsible parent when
16 acknowledged before a certifying officer or notary public or the equivalent or
17 corresponding person of the state, territory, or foreign country where the
18 acknowledgment is made and filed with and approved by a judge of the district court in
19 the county where the custodial parent of the child resides or is found, or in the county
20 where the noncustodial parent resides or is found, or in the county where the child resides
21 or is found shall have the same force and effect, retroactively and prospectively, in
22 accordance with the terms of the agreement, as an order of support entered by the court,
23 and shall be enforceable and subject to modification in the same manner as is provided by
24 law for orders of the court in such cases. Written agreements filed pursuant to this
25 section shall contain the social security number of the responsible parent."

26 Section 4.2. Chapter 93B of the General Statutes is amended by adding the
27 following new section to read:

28 **"§ 93B-14. Information on applicants for licensure.**

29 Every occupational licensing board shall require applicants for licensure to provide to
30 the Board the applicant's social security number. This information shall be treated as
31 confidential and may be released only to the State Child Support Enforcement Program
32 of the Department of Human Resources upon its request and for the purpose of enforcing
33 a child support order."

34 Section 4.3. Chapter 110 of the General Statutes is amended by adding the
35 following new section to read:

36 **"§ 110-139.3. Financial institutions to provide information from financial records.**

37 (a) Notwithstanding any provision of law making this information confidential,
38 including Chapter 53B of the General Statutes, a financial institution shall provide access
39 by the Department of Human Resources, Child Support Enforcement Program, to the
40 financial record of any person for whom the financial institution maintains an account.
41 This information shall be provided only upon certification by the Department that the
42 account holder is subject to a child support order and that the information is needed for
43 the full and effective enforcement of the order.

1 (b) A financial institution that discloses information pursuant to this section in
2 good faith reliance upon certification by the Department is not liable for damages
3 resulting from the disclosure.

4 (c) As used in this section, the term 'financial institution' includes federal, State,
5 commercial, or savings banks, savings and loan associations and cooperative banks,
6 federal or State chartered credit unions, benefit associations, insurance companies, safe
7 deposit companies, money market mutual funds, and investment companies doing
8 business in this State or incorporated under the laws of this State."

9 **PART 5. SUSPENSION/REVOCAION OF LICENSES FOR FAILURE TO**
10 **COMPLY WITH OUTSTANDING SUBPOENA OR OUTSTANDING WARRANT**
11 **ISSUED PURSUANT TO CHILD SUPPORT OR PATERNITY**
12 **ESTABLISHMENT PROCEEDINGS.**

13 Section 5. G.S. 110-142.1 reads as rewritten:

14 "**§ 110-142.1. IV-D notified suspension, revocation, and issuance of occupational,**
15 **professional, or business licenses of obligors who are delinquent in court-**
16 **ordered child support or subject to outstanding warrants for failure to**
17 **appear for failure to comply with the terms of a court order for child**
18 **support.** support or for failure to comply with outstanding subpoenas or
19 outstanding warrants issued pursuant to child support or paternity
20 establishment proceedings.

21 (a) Effective July 1, 1996, the Department of Human Resources may notify any
22 board that a person licensed by that board is not in compliance with an order for child
23 support. support or has failed to comply with an outstanding subpoena or outstanding
24 warrant issued pursuant to child support or paternity establishment proceedings.

25 (b) The designated representative shall maintain a list of those obligors included in
26 a IV-D case for which a child support order has been rendered by, or registered in, a court
27 of this State, and who are not in compliance with that ~~order.~~ order or who have failed to
28 comply with an outstanding subpoena or outstanding warrant issued pursuant to child
29 support proceedings. The designated representative shall also maintain a list of those
30 individuals in a IV-D case who have failed to comply with an outstanding subpoena or
31 outstanding warrant issued pursuant to paternity establishment proceedings initiated by
32 the child support enforcement agency. The designated representative shall submit a
33 certified list with the names, social security numbers, and last known address of these
34 obligors and individuals and the name, address, and telephone number of the person who
35 certified the list to the Department of Human Resources, Division of Social Services,
36 Child Support Enforcement Office. The designated representative shall verify, under
37 penalty of perjury, that the obligors listed are subject to an order for the payment of
38 support and that these persons are not in compliance with the ~~order.~~ order, or,
39 as applicable, that the individuals listed have failed to comply with an outstanding subpoena
40 or outstanding warrant issued pursuant to paternity establishment proceedings initiated by
41 the child support enforcement agency. An updated certified list shall be submitted to the
42 Department on a monthly basis.

1 The Department of Human Resources, Division of Social Services, Child Support
2 Enforcement Office, shall consolidate the certified lists received from the designated
3 representatives and, within 30 calendar days of receipt, shall furnish each board with a
4 certified list of its ~~obligors~~, obligors or individuals, as specified in this section.

5 (c) Each board shall coordinate with the Department of Human Resources,
6 Division of Social Services, Child Support Enforcement Office, in the development of
7 forms and procedures to implement this section.

8 (d) Promptly after receiving the certified list of obligors or certified list of
9 individuals from the Department of Human Resources, each board shall determine
10 whether its applicant or licensee is an obligor or individual on the list. If the applicant or
11 licensee is an obligor or individual on the list, the board shall immediately send notice as
12 specified in this subsection to the applicant or licensee of the board's intent to revoke or
13 suspend the licensee's license in 20 days from the date of the notice, or that the board is
14 withholding issuance or renewal of an applicant's license, until the designated
15 representative certifies that the applicant or licensee is entitled to be licensed or
16 reinstated. The notice shall be made personally or by certified mail to the obligor's or
17 individual's last known mailing address on file with the board.

18 (e) Unless notified by the designated representative as provided in subsection (h)
19 of this section, the board shall revoke or suspend the obligor's or individual's license 20
20 days from the date of the notice to the obligor or individual of the board's intent to revoke
21 or suspend the license. In the event that a license is revoked or application is denied
22 pursuant to this section, the board is not required to refund fees paid by the ~~obligor~~.
23 obligor or individual.

24 (f) Notices shall be developed by each board in accordance with guidelines
25 provided by the Department of Human Resources and shall be subject to the approval of
26 the Department of Human Resources. The notice shall include the address and telephone
27 number of the designated representative who submitted the name on the certified list, and
28 shall emphasize the necessity of obtaining a certification of compliance from the
29 designated representative or the child support enforcement agency as a condition of
30 issuance, renewal, or reinstatement of the license. The notice shall inform the obligor or
31 individual that if a license is revoked or application is denied pursuant to this subsection,
32 the board is not required to refund fees paid by the ~~obligor~~. obligor or individual. The
33 Department of Human Resources shall also develop a form that the obligor or individual
34 shall use to request a review by the designated representative. A copy of this form shall
35 be included with every notice sent pursuant to subsection (d) of this section.

36 (g) The Department of Human Resources shall establish review procedures
37 consistent with this section to allow an obligor to have the underlying arrearage and any
38 relevant defenses investigated, to provide an obligor information on the process of
39 obtaining a modification of a support order, or, if the circumstances so warrant, to
40 provide an obligor assistance in the establishment of a payment schedule on arrears. The
41 Department of Human Resources shall establish review procedures consistent with this
42 section to provide, as applicable and if the circumstances so warrant, an obligor or

1 individual assistance in complying with the outstanding subpoena or outstanding warrant
2 issued pursuant to child support or paternity establishment proceedings.

3 (h) If the obligor or individual wishes to challenge the submission of the obligor's
4 or individual's name on the certified list—list, or if the obligor wishes to negotiate a
5 payment schedule, the obligor or individual shall within 14 days of the date of notice
6 from the board request a review from the designated representative. The designated
7 representative shall within six days of the date of the ~~obligor's~~ request for review notify
8 the appropriate board of the ~~obligor's~~ request for review and direct the board to stay any
9 action revoking or suspending the obligor's or individual's ~~license—license, as applicable,~~
10 until further notice from the designated representative. The designated representative
11 shall review the ~~obligor's~~ case and inform the obligor or individual, as applicable, in
12 writing of the representative's findings and decision upon completion of the review. The
13 designated representative shall immediately send a notice to the appropriate board
14 ~~certifying—certifying, as applicable, the ~~obligor's—individual's~~ compliance with the~~
15 ~~outstanding subpoena or outstanding warrant, or the obligor's compliance with this~~
16 section if the obligor is found to be no longer in arrears or negotiates an agreement with
17 the designated representative for a payment schedule on arrears or reimbursement. The
18 agreement shall also provide for the maintenance of current support obligations and shall
19 be incorporated into a consent order to be entered by the court. If the obligor or
20 individual fails to meet the conditions of this subsection, the designated representative
21 shall notify the appropriate board to immediately revoke or suspend the obligor's or
22 individual's ~~license—license, as applicable.~~ Upon receipt of notice from the designated
23 representative, the board shall immediately revoke or suspend the ~~obligor's~~ license.

24 (i) The designated representative shall notify the obligor or individual, as
25 applicable, in writing that the obligor or individual may, by filing a motion, request any
26 or all of the following:

- 27 (1) Judicial review of the designated representative's decision.
- 28 (2) A judicial determination of compliance.
- 29 (3) A modification of the support order.

30 The notice shall also contain the name and address of the court in which the obligor or
31 individual shall file the motion ~~and—~~and, as applicable, shall inform the individual that the
32 individual's name shall remain on the certified list unless the judicial review results in a
33 finding by the court that the individual has complied with or is no longer subject to an
34 outstanding subpoena or outstanding warrant issued pursuant to a paternity establishment
35 proceeding, or, shall inform the obligor that the obligor's name shall remain on the
36 certified list unless the judicial review results in a finding by the court that the obligor is
37 no longer in arrears or that the obligor's license should be reinstated under subsection (k)
38 of this section. The notice shall also inform the obligor or the individual, as applicable,
39 that the obligor or individual must comply with all statutes and rules of court regarding
40 motions and notices of hearing and that any motion filed under this section is subject to
41 the limitations of G.S. 50-13.10.

42 (j) The motion for judicial review of the designated representative's decision shall
43 state the grounds for which review is requested and judicial review shall be limited to

1 those stated grounds. After service of the request for review, the court shall hold an
2 evidentiary hearing at the next regularly scheduled session for the hearing of child
3 support matters in civil district court. The request for judicial review shall be served by
4 the obligor or individual upon the designated representative who submitted the obligor's
5 or individual's name on the certified list within seven calendar days of the filing of the
6 motion.

7 (k) If the judicial review requested by the obligor results in a finding by the court
8 that the obligor is no longer in arrears or that the obligor's license should be reinstated to
9 allow the obligor an opportunity to comply with a payment schedule on arrears or
10 reimbursement and current support obligations, the designated representative shall
11 immediately send a notice to the appropriate board certifying the obligor's compliance
12 with this section. In the event of appeal from the judicial review, the license revocation
13 shall not be stayed unless the court specifically provides otherwise. If the judicial review
14 requested by the individual results in a finding that the individual has complied with or is
15 no longer subject to the outstanding subpoena or outstanding warrant, the designated
16 representative shall immediately send a notice to the appropriate board certifying the
17 individual's compliance with this section. In the event of an appeal from judicial review,
18 the license revocation shall not be stayed unless the court specifically provides otherwise.

19 (l) The Department of Human Resources shall prescribe forms for use by the
20 designated representative. When the obligor is no longer in arrears or negotiates an
21 agreement with the designated representative for a payment schedule on arrears or
22 reimbursement as provided in subsection (h) of this section, the designated representative
23 shall mail to the obligor and the appropriate board a notice certifying that the obligor is in
24 compliance. The receipt of certification shall serve to notify the obligor and the board
25 that, for the purposes of this section, the obligor is in compliance with the order for
26 support. When the individual has complied with or is no longer subject to an outstanding
27 subpoena or outstanding warrant issued pursuant to a paternity establishment proceeding,
28 the designated representative shall mail to the individual and the appropriate board a
29 notice certifying that the individual is in compliance. The receipt of certification shall
30 serve to notify the individual and the board that the individual is in compliance with this
31 section.

32 (m) The Department of Human Resources may enter into interagency agreements
33 with the boards necessary to implement this section.

34 (n) The procedures specified in Articles 3 and 3A of Chapter 150B of the General
35 Statutes, the Administrative Procedure Act, shall not apply to the denial or failure to issue
36 or renew a license pursuant to this section.

37 (o) Any board receiving an inquiry as to the licensed status of an applicant or
38 licensee who has had a license denied or revoked under this section shall respond only
39 that the license was denied or revoked pursuant to this section. Information collected
40 pursuant to this section shall be confidential and shall not be disclosed except in
41 accordance with the laws of this State.

42 (p) If any provision of this section or its application to any person or circumstance
43 is held invalid, that invalidity shall not affect other provisions or applications of this

1 section that can be given effect without the invalid provision or application, and to this
2 end the provisions of this section are severable."

3 Section 5.1. G.S. 110-142.2 reads as rewritten:

4 **"§ 110-142.2. Suspension, revocation, restriction of license to operate a motor**
5 **vehicle or hunting, fishing, or trapping licenses; refusal of registration of**
6 **motor vehicle.**

7 (a) Effective December 1, 1996, notwithstanding any other provision of law, when
8 an obligor is at least 90 days in arrears in making child support payments, or when an
9 obligor has failed to comply with an outstanding subpoena or warrant issued pursuant to
10 child support proceedings, or when an individual has failed to comply with an
11 outstanding subpoena or warrant issued pursuant to paternity establishment proceedings,
12 the child support enforcement agency may apply to the court, pursuant to the regular
13 show cause and contempt provisions of G.S. 50-13.9(d), for an order doing any of the
14 following:

- 15 (1) Revoking the obligor's or individual's, as applicable, regular or
16 commercial license to operate a motor vehicle;
- 17 (2) Revoking the obligor's or individual's, as applicable, hunting, fishing, or
18 trapping licenses;
- 19 (3) Directing the Department of Transportation, Division of Motor
20 Vehicles, to refuse, pursuant to G.S. 20-50.4, to register the obligor's or
21 individual's, as applicable, motor vehicle.

22 (b) Upon finding that the obligor has willfully failed to comply with the child
23 support order or with an outstanding subpoena or outstanding warrant issued pursuant to
24 child support proceedings, and that the obligor is at least 90 days in arrears, or upon a
25 finding that an individual subject to an outstanding subpoena or outstanding warrant
26 issued pursuant to paternity establishment proceedings has failed to comply with the
27 outstanding subpoena or outstanding warrant, the court may enter an order instituting the
28 sanctions as provided in subsection (a) of this section. The court may stay the
29 effectiveness of the sanctions against the obligor upon conditions requiring the obligor to
30 make full payment of the delinquency over time. Any such stay shall also be conditioned
31 upon the obligor's maintenance of current child support. The court may stay the
32 effectiveness of the sanctions against the individual subject to an outstanding subpoena or
33 outstanding warrant issued pursuant to paternity establishment proceedings upon a
34 finding that the individual has complied with or is no longer subject to the requirements
35 of the subpoena or warrant. Upon entry of an order pursuant to this section that is not
36 stayed, the ~~obligor~~-obligor, or the individual subject to the outstanding subpoena or
37 outstanding warrant, as applicable, shall surrender any licenses revoked by the court's
38 order to the child support enforcement agency and the agency shall forward a report to
39 the appropriate licensing authority within 30 days of the order.

40 (c) If the ~~obligor's~~-obligor's or individual's regular or commercial drivers license is
41 revoked under this section and the court, after the hearing, makes a finding that a license
42 to operate a motor vehicle is necessary to the ~~obligor's~~-obligor's or individual's livelihood,
43 the court may issue a limited driving privilege, with those terms and conditions applying

1 as the court shall prescribe. An obligor or individual whose license has been revoked for
2 reasons not related to this section and whose license remains revoked at the time of the
3 hearing shall not be eligible and may not be issued a limited driving privilege. The court
4 may modify or revoke the limited driving privilege pursuant to G.S. 20-179.3(i).

5 (d) An obligor may file a request with the child support enforcement agency for
6 certification that the obligor is no longer delinquent in child support payments upon
7 submission of proof satisfactory to the child support enforcement agency that the obligor
8 has paid the delinquent amount in full. An individual subject to an outstanding subpoena
9 or outstanding warrant issued pursuant to a paternity establishment proceeding may file a
10 request with the child support enforcement agency for certification that the individual has
11 complied with an outstanding subpoena or outstanding warrant upon submission of proof
12 satisfactory to the child support enforcement agency of such compliance. The child
13 support enforcement agency shall provide a form to be used by the obligor or individual
14 for a request for certification. If the child support enforcement agency finds that the
15 obligor or individual has met the requirements for reinstatement under this subsection,
16 then the child support enforcement agency shall certify that the obligor is no longer
17 delinquent or that the obligor or individual, as applicable, is no longer subject to an
18 outstanding subpoena or outstanding warrant issued pursuant to child support or paternity
19 establishment proceedings and shall provide a copy of the certification to the ~~obligor.~~
20 obligor or individual, as applicable.

21 (e) If licensing privileges are revoked under this section, the obligor or individual
22 may petition the district court for a reinstatement of such privileges. The court may order
23 the obligor's privileges reinstated conditioned upon full payment of the delinquency over
24 time. The court may order the individual's privileges reinstated if the court finds that the
25 individual has complied with or is no longer subject to the outstanding subpoena or
26 outstanding warrant issued pursuant to paternity establishment proceedings. Any order
27 allowing license reinstatement shall additionally require the obligor's maintenance of
28 current child support. Upon reinstatement under this subsection, the child support
29 enforcement agency shall certify that the obligor is no longer ~~delinquent~~ delinquent, or,
30 as applicable, that the individual has complied with or is no longer subject to the
31 outstanding subpoena or outstanding warrant issued pursuant to paternity establishment
32 proceedings and shall provide a copy of the certification to the ~~obligor.~~ obligor or
33 individual, as applicable.

34 (f) Upon receipt of certification under subsection (d) or (e) of this section, the
35 Division of Motor Vehicles shall reinstate the license to operate a motor vehicle in
36 accordance with G.S. 20-24.1, and remove any restriction of the obligor's or individual's
37 motor vehicle registration.

38 (g) Upon receipt of certification under subsection (d) or (e) of this section, the
39 licensing board having jurisdiction over the obligor's or individual's hunting, fishing, or
40 trapping license shall reinstate the license.

41 (h) If the court imposes sanctions against an obligor under subdivision (3) of
42 subsection (a) of this section and the sanctions are stayed upon conditions as provided in
43 subsection (b) of this section, the child support enforcement agency may, without any

1 further application to the court, notify the Division of Motor Vehicles if the obligor
2 violates the terms and conditions of the stay. The Division shall then take such action as
3 provided in subdivision (3) of subsection (a) of this section. The Division shall not
4 remove any restriction of the obligor's motor vehicle registration, until receipt of
5 certification pursuant to subsection (d) or (e) of this section.

6 (i) The Department of Human Resources, the Administrative Office of the Courts,
7 the Division of Motor Vehicles, and the Department of Environment, Health, and Natural
8 Resources shall work together to develop the forms and procedures necessary for the
9 implementation of this process."

10 Section 5.2. G.S. 50-13.12 reads as rewritten:

11 **"§ 50-13.12. Forfeiture of Licensing Privileges for Failure to Pay Child Support.**

12 (a) As used in this section, the term:

13 (1) 'Licensing board' means a department, division, agency, officer, board,
14 or other unit of state government that issues hunting, fishing, trapping,
15 drivers, or occupational licenses or licensing privileges.

16 (2) 'Licensing privilege' means the privilege of an individual to be
17 authorized to engage in an activity as evidenced by hunting, fishing, or
18 trapping licenses, regular and commercial drivers licenses, and
19 occupational, professional, and business licenses.

20 (3) 'Obligee' means the individual or agency to whom a duty of support is
21 owed or the individual's legal representative.

22 (4) 'Obligor' means the individual who owes a duty to make child support
23 payments under a court order.

24 (5) 'Occupational license' means a license, certificate, permit, registration,
25 or any other authorization issued by a licensing board that allows an
26 obligor to engage in an occupation or profession.

27 (b) Upon a finding by the district court judge that the obligor is willfully
28 delinquent in child support payments equal to at least one month's child support, or upon
29 a finding that a person has willfully failed to comply with the requirements of an
30 outstanding subpoena or outstanding warrant issued pursuant to a paternity establishment
31 proceeding, and upon findings as to any specific licensing privileges held by the ~~obligor,~~
32 obligor or person subject to such outstanding subpoena or outstanding warrant, the court
33 may revoke some or all of such privileges until the obligor shall have paid the delinquent
34 amount in ~~full.~~ full, or, as applicable, until the person subject to such outstanding
35 subpoena or outstanding warrant has complied or is no longer subject to the subpoena or
36 warrant. The court may stay any such revocation pertaining to the obligor upon
37 conditions requiring the obligor to make full payment of the delinquency over time. Any
38 such stay shall further be conditioned upon the obligor's maintenance of current child
39 support. The court may stay any such revocation pertaining to the person subject to the
40 outstanding subpoena or outstanding warrant upon a finding that the person has complied
41 with or is no longer subject to such subpoena or such warrant. Upon an order revoking
42 such privileges of an obligor that does not stay the revocation, the clerk of superior court
43 shall notify the appropriate licensing board that the obligor is delinquent in child support

1 payments and that the obligor's licensing privileges are revoked until such time as the
2 licensing board receives proof of certification by the clerk that the obligor is no longer
3 delinquent in child support payments. Upon an order revoking such privileges of a person
4 subject to the outstanding subpoena or outstanding warrant that does not stay the
5 revocation, the clerk of superior court shall notify the appropriate licensing board that the
6 person has failed to comply with the requirements of an outstanding subpoena or
7 outstanding warrant issued pursuant to a paternity establishment proceeding and that the
8 person's licensing privileges are revoked until such time as the licensing board receives
9 proof of certification by the clerk that the person is in compliance with or no longer
10 subject to the outstanding subpoena or outstanding warrant.

11 (c) An obligor may file a request with the clerk of superior court for certification
12 that the obligor is no longer delinquent in child support payments upon submission of
13 proof satisfactory to the clerk that the obligor has paid the delinquent amount in full. A
14 person whose licensing privileges have been revoked under subsection (b) of this section
15 because of a failure to comply with an outstanding subpoena or outstanding warrant may
16 file a request with the clerk of superior court for certification that the person has met the
17 requirements of or is no longer subject to the outstanding subpoena or outstanding
18 warrant. The clerk shall provide a form to be used ~~by the obligor~~ for a request for
19 certification. If the clerk finds that the obligor has met the requirements for reinstatement
20 under this subsection, then the clerk shall certify that the obligor is no longer delinquent
21 and shall provide a copy of the certification to the obligor. Upon request of the obligor,
22 the clerk shall mail a copy of the certification to the appropriate licensing board. If the
23 clerk finds that the person whose licensing privileges have been revoked under subsection
24 (b) of this section for failure to comply with an outstanding subpoena or outstanding
25 warrant has complied with or is no longer subject to such subpoena or such warrant, then
26 the clerk shall certify that the person has met the requirements of or is no longer subject
27 to such subpoena or such warrant and shall provide a copy of the certification to the
28 person. Upon request of such person, the clerk shall mail a copy of the certification to
29 the appropriate licensing board.

30 (d) If licensing privileges are revoked under this section, the obligor may petition
31 the district court for a reinstatement of such privileges. The court may order the
32 privileges reinstated conditioned upon full payment of the delinquency over time. Any
33 order allowing license reinstatement shall additionally require the obligor's maintenance
34 of current child support. If the licensing privileges of a person other than the obligor are
35 revoked under this section, such person may petition the district court for reinstatement of
36 the privileges. The court may order the privileges reinstated if the person has complied
37 with or is no longer subject to the outstanding subpoena or outstanding warrant that was
38 the basis for revocation. Upon reinstatement under this subsection, the clerk of superior
39 court shall certify that the obligor is no longer delinquent and provide a copy of the
40 certification to the obligor. Upon request of the obligor, the clerk shall mail a copy of the
41 certification to the appropriate licensing board. Upon reinstatement of the person whose
42 licensing privileges were revoked based on failure to comply with an outstanding
43 subpoena or outstanding warrant, the clerk of superior court shall certify that such person

1 has complied with or is no longer subject to, as applicable, such subpoena or such
2 warrant. Upon request of the person whose licensing privileges are reinstated, the clerk
3 shall mail a copy of the certification to the appropriate licensing board.

4 (e) ~~The obligor~~ An obligor or person whose licensing privileges are reinstated
5 under this section may provide a copy of the certification set forth in either subsection (c)
6 or (d) to each licensing agency to which the obligor or person applies for reinstatement of
7 licensing privileges. Upon request of the obligor, obligor or person, the clerk shall mail a
8 copy of the certification to the appropriate licensing board. Upon receipt of a copy of the
9 certification, the licensing board shall reinstate the license.

10 (f) Upon receipt of notification by the clerk that ~~the obligor's~~ an obligor's or other
11 person's licensing privileges are revoked, revoked pursuant to this section, the board shall
12 note the revocation on its records and take all necessary steps to implement and enforce
13 the revocation. These steps shall not include the board's independent revocation process
14 pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act,
15 which process is replaced by the court process prescribed by this section. The revocation
16 pertaining to an obligor shall remain in full force and effect until the board receives
17 certification under this section that the obligor is no longer delinquent in child support
18 payments. The revocation pertaining to the person whose licensing privileges were
19 revoked on the basis of outstanding subpoena or outstanding warrant shall remain in full
20 force and effect until the board receives certification of reinstatement under subsection
21 (d) of this section."

22 Section 5.3. G.S. 93B-13 reads as rewritten:

23 **"§ 93B-13. Revocation when licensing privilege forfeited for nonpayment of child**
24 **support.**

25 (a) Upon receipt of a court order, pursuant to G.S. 50-13.12, revoking the
26 occupational license of a licensee under its jurisdiction, an occupational licensing board
27 shall note the revocation in its records and follow the normal postrevocation rules and
28 procedures of the board as if the revocation had been ordered by the board. The
29 revocation shall remain in effect until the board receives certification by the clerk of
30 superior court that the licensee is no longer delinquent in child support ~~payments.~~
31 payments, or, as applicable, that the licensee is in compliance with or no longer subject to
32 an outstanding subpoena or outstanding warrant issued pursuant to paternity
33 establishment proceedings.

34 (b) Upon receipt of notification from the Department of Human Resources that a
35 licensee under an occupational licensing board's jurisdiction has forfeited the licensee's
36 occupational license pursuant to G.S. 110-142.1, then the occupational licensing board
37 shall send a notice of intent to revoke or suspend the occupational license of that licensee
38 as provided by G.S. 110-142.1(d). If the license is revoked as provided by the provisions
39 of G.S. 110-142.1, the revocation shall remain in effect until the board receives
40 certification by the designated representative or the child support enforcement agency
41 that the licensee is no longer delinquent in child support ~~payments.~~
42 payments, or, as applicable, that the licensee is in compliance with or no longer subject to an outstanding
43 subpoena or outstanding warrant issued pursuant to paternity establishment proceedings.

1 (c) If at the time the court revokes a license pursuant to subsection (a) of this
2 section, or if at the time the occupational licensing board revokes a license pursuant to
3 subsection (b) of this section, the occupational licensing board has revoked the same
4 license under the licensing board's disciplinary authority over licensees under its
5 jurisdiction, and that revocation period is greater than the revocation period resulting
6 from forfeiture pursuant to G.S. 50-13.12 or G.S. 110-142.1 then the revocation period
7 imposed by the occupational licensing board applies.

8 (d) Immediately upon certification by the clerk of superior court or the child
9 support enforcement agency that the licensee whose license was revoked pursuant to
10 subsection (a) or (b) of this section is no longer delinquent in child support payments, the
11 occupational licensing board shall reinstate the license. Immediately upon certification by
12 the clerk of superior court or the child support enforcement agency that the licensee
13 whose license was revoked because of failure to comply with an outstanding subpoena or
14 outstanding warrant pursuant to subsection (a) or (b) of this section is in compliance with
15 or is no longer subject to an outstanding subpoena or outstanding warrant issued pursuant
16 to a paternity establishment proceeding, the occupational licensing board shall reinstate
17 the license. Reinstatement of a license pursuant to this section shall be made at no
18 additional cost to the licensee."

19 Section 5.4. G.S. 150B-3(d) reads as rewritten:

20 "(d) This section does not apply to revocations of occupational licenses based
21 solely on a court order of child support delinquency or a Department of Human
22 Resources determination of child support delinquency issued pursuant to G.S. 110-142,
23 110-142.1, ~~110-142.2.~~ 110-142.2, or based on failure to comply with an outstanding
24 subpoena or outstanding warrant issued pursuant to paternity establishment proceedings."

25 **PART 6. INCOME WITHHOLDING WITHOUT JUDICIAL OR**
26 **ADMINISTRATIVE HEARING IN CERTAIN CASES; EMPLOYER MUST**
27 **BEGIN WITHHOLDING WITHIN SEVEN DAYS OF NOTICE TO WITHHOLD.**

28 Section 6. G.S. 110-136.5(c) reads as rewritten:

29 "(c) Order for withholding. If the district court judge finds after hearing evidence
30 that the obligor, at the time of the filing of the motion or complaint was, or at the time of
31 the hearing is, delinquent in child support payments or that the obligor has been erratic in
32 making child support payments in accordance with G.S. 110-136.5(a), or that the obligor
33 has requested that income withholding begin in accordance with G.S. 110-136.5(b), the
34 court shall enter an order for income withholding, unless:

35 (1) The obligor proves a mistake of fact, except that G.S. 110-129(10)(a) is
36 not applicable if withholding is based on the obligee's motion or
37 independent action alleging that the obligor is delinquent or has been
38 erratic in making child support payments; or

39 (2) The court finds that the child support obligation can be enforced and the
40 child's right to receive support can be ensured without entry of an order
41 for income withholding; or

42 (3) The court finds that the obligor has no disposable income subject to
43 withholding or that withholding is not feasible for any other reason.

1 If the obligor fails to respond or appear, the court shall hear evidence and enter an order
2 as provided herein.

3 In non-IV-D cases in which a child support order was initially entered prior to October 1,
4 1996, and in which income withholding was not ordered or implemented pursuant to this
5 subsection, and the obligor is in arrears in an amount equal to one month's support or
6 more, then the obligor is subject to immediate income withholding upon notice to the
7 obligor and upon entry of the order unless the obligor proves mistake of fact."

8 Section 6.1. G.S. 110-136.8(b) reads as rewritten:

9 "(b) Payor's responsibilities. A payor who has been properly served with a notice to
10 withhold is required to:

- 11 (1) Withhold from the obligor's disposable income and, within 10 days of
12 the date the obligor is paid, send to the clerk of superior court specified
13 in the notice, the amount specified in the notice and the date the amount
14 was withheld, but in no event more than the amount allowed by G.S.
15 110-136.6; however, if a lesser amount of disposable income is
16 available for any pay period, the payor shall either: (a) compute and
17 send the appropriate amount to the clerk of court, using the percentages
18 as provided in G.S. 110-136.6, or (b) request the initiating party to
19 inform the payor of the proper amount to be withheld for that period;
- 20 (2) Continue withholding until further notice from the IV-D agency or the
21 clerk of superior court;
- 22 (3) Withhold for child support before withholding pursuant to any other
23 legal process under State law against the same disposable income;
- 24 (4) Begin withholding from the first payment due the obligor in the first pay
25 period that occurs ~~14~~7 days following the date the notice of the
26 obligation to withhold was served on the payor;
- 27 (5) Promptly notify the obligee in a IV-D case, or the clerk of superior court
28 in a non-IV-D case, in writing:
 - 29 a. If there is more than one child support withholding for the
30 obligor;
 - 31 b. When the obligor terminates employment or otherwise ceases to
32 be entitled to disposable income from the payor, and provide the
33 obligor's last known address, and the name and address of his
34 new employer, if known;
 - 35 c. Of the payor's inability to comply with the withholding for any
36 reason; and
- 37 (6) Cooperate fully with the initiating party in the verification of the amount
38 of the obligor's disposable income."

39 **PART 7. ESTABLISHMENT OF A LIEN ON REAL PROPERTY OF PERSON**
40 **OWING PAST-DUE CHILD SUPPORT.**

41 Section 7. Chapter 44 of the General Statutes is amended by adding the
42 following new Article to read:

43 **"ARTICLE 15.**

"LIENS FOR OVERDUE CHILD SUPPORT.**"§ 44-86. Lien on real and personal property of person owing past-due child support.**

There is hereby created a general lien upon the real property of any person who is subject to a court order of child support and who is more than 90 days in arrears in the payment of child support pursuant to an order for enforcement of child support. The lien created by this section shall continue from the date of filing until satisfied.

"§ 44-87. Filing required.

No lien created by G.S. 44-86 shall be valid but from the time of filing in the office of the clerk of superior court a statement containing the name and address of the person against whom the lien is claimed, the name of the governmental agency or other obligee, as defined under G.S. 110-129, claiming the lien, the amount of the arrearage as of the date of the filing, and the date of the court order enforcing support for which arrearages are asserted and the lien claimed. No lien under this Article shall be valid unless filed in accordance with this section within 90 days of the date the support arrearage arose.

"§ 44-88. Discharge of lien.

Liens created by this Article may be discharged as follows:

- (1) By filing with the clerk of superior court a receipt or acknowledgment, signed by the Secretary of Human Resources, that the obligor is no longer in arrears in child support or that the obligor has entered into an agreement with the Department for a payment schedule on arrears or reimbursement.
- (2) By depositing with the clerk of superior court money equal to the amount of the claim, which money shall be held for the benefit of the claimant; or
- (3) By an entry in the lien docket that the action on the part of the lien claimant to enforce the lien has been dismissed, or a judgment has been rendered against the claimant in such action."

PART 8. DEPARTMENT OF HUMAN RESOURCES TO DEVELOP AUTOMATED DATA PROCESSING AND INFORMATION SYSTEM, AND CENTRALIZED COLLECTION AND DISBURSEMENT SYSTEM FOR THE ENHANCEMENT OF CHILD SUPPORT COLLECTION AND DISBURSEMENT.

Section 8. (a) Automated System. The Department of Human Resources shall develop a single statewide automated data processing and information retrieval system to enhance enforcement of child support obligations. Except as earlier required by federal law, the system shall be fully operational by October 1, 2000, and shall have the capability to perform the following tasks:

- (1) Program management, including the controlling and accounting for use of federal, State, and local funds in carrying out the State child support enforcement program, and maintaining the data necessary to meet federal reporting requirements on a timely basis;

- 1 (2) Maintenance of requisite data on State performance with respect to
2 paternity establishment and child support enforcement, including
3 systems controls to ensure completeness and reliability of and ready
4 access to this data;
- 5 (3) Establishment of safeguards on the integrity, accuracy, and
6 completeness of, access to, and use of data in the system. Safeguards
7 shall include policies restricting, controlling, and monitoring access to
8 the system and database;
- 9 (4) Maintenance of the State's automated case tracking system (ACTS) in
10 accordance with federal requirements;
- 11 (5) Information retrieval, comparisons, and disclosure, including the
12 sharing and comparison of information from other databases and
13 information comparison services. Comparison services shall include
14 information retrieval and sharing with such databases as the Federal
15 Case Registry of Child Support Orders, the Federal Parent Locator
16 Service, temporary family assistance and medicaid agencies, and other
17 agencies of this State and agencies of other states and interstate
18 information networks;
- 19 (5) Collection and distribution of support payments through the State
20 Collection Disbursement Unit as required by federal law; and
- 21 (6) Implement expedited administrative procedures for the establishment of
22 paternity and the enforcement of child support orders.

23 In addition, the system shall include procedures to ensure that all personnel who have
24 access to confidential program data are trained in and informed of applicable
25 requirements and penalties. The Department shall impose administrative penalties
26 authorized by State law for unauthorized access to or disclosure or use of confidential
27 data in the system.

28 (b) Collection and Disbursement Unit. The Department shall develop and provide
29 for the operation of a centralized State Collection and Disbursement Unit for the
30 collection and disbursement of child support payments. The Unit shall be operated by the
31 Department in coordination with the automated system developed under subsection (a) of
32 this section. The Unit shall use automated procedures, electronic processes, and
33 computer-driven technology to the maximum extent feasible, efficient, and economical,
34 for collection and disbursement activities, including procedures for:

- 35 (1) Receiving payments from parents, employers, and other states, and for
36 disbursements to custodial parents and other obligees, the State agency,
37 and the agencies of other states;
- 38 (2) Accurately identifying payments;
- 39 (3) Ensuring prompt disbursement of the custodial parent's share of the
40 payment;
- 41 (4) Furnishing to any parent, upon request, timely information on the
42 current status of support payments under an order requiring payments to

1 be made by or to the parent, in accordance with federal requirements;
2 and

3 (5) Timely disbursements and retention of arrearages, as authorized by
4 federal law.

5 (c) Progress Reports on Development. The Department shall provide periodic
6 written progress reports to the Cochairs of the House and Senate Appropriations
7 subcommittees on Human Resources, and to the Fiscal Research Division, not later than
8 October 1, 1997, March 1, 1998, and October 1, 1998. Each progress report shall include
9 a separate section on the development of the automated system and one on the
10 development of the collection and disbursement unit. Information contained in each
11 report shall include, but not be limited to:

12 (1) Federal requirements for the automated system and collection and
13 disbursements units;

14 (2) Status of development as of the date of the progress report, and whether
15 the development plan is on schedule, behind schedule, or ahead of
16 schedule, and the reasons therefor;

17 (3) Projected costs to develop and operate the automated system; and
18 projected savings, if any, from full implementation of the system;

19 (4) Projected costs to develop and operate the collection and disbursement
20 unit, including recommendations on whether the Department should
21 operate the unit or whether it should be operated by an outside
22 contractor; and

23 (5) Other information requested by the Cochairs or that the Department
24 considers relevant and useful.

25 **PART 9. DEPARTMENT TO DISCONTINUE DISREGARD OF FIRST \$50.00 OF**
26 **CHILD SUPPORT PAYMENT COLLECTED.**

27 Section 9. The Department of Human Resources shall not disregard the first
28 fifty dollars (\$50.00) of any child support payments received each month for a family
29 receiving cash assistance under the State Plan for TANF grant funds.

30 **PART 10. MISCELLANEOUS AND EFFECTIVE DATE.**

31 Section 10. The headings to the parts of this act are a convenience to the reader
32 and are for reference only. The headings do not expand, limit, or define the text of the
33 act.

34 Section 10.1. This act becomes effective October 1, 1997.