**A** **BILL**

TO AMEND SECTION 63‑17‑2310, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIREMENT OF CERTAIN ENTITIES TO REPORT INFORMATION TO THE DIVISION OF CHILD SUPPORT SERVICES OF THE DEPARTMENT OF SOCIAL SERVICES FOR PURPOSES OF LOCATING PERSONS TO ESTABLISH PATERNITY AND CHILD SUPPORT OBLIGATIONS, SO AS TO CLARIFY THE ENTITIES REQUIRED TO PROVIDE INFORMATION, TO ADD INFORMATION THAT MUST BE PROVIDED, TO ESTABLISH CERTAIN PENALTIES FOR THE FAILURE TO COMPLY, AND TO MAKE TECHNICAL CORRECTIONS; TO AMEND SECTION 63‑17‑2320, RELATING IN PART TO THE REQUIREMENT OF FINANCIAL INSTITUTIONS TO TAKE CERTAIN ACTIONS UPON RECEIPT OF NOTICE FROM THE DIVISION OF A LIEN OR LEVY ON AN ACCOUNT HOLDER, SO AS TO CLARIFY THAT FINANCIAL INSTITUTIONS ARE REQUIRED TO ENCUMBER OR SURRENDER THE ASSETS, AS DIRECTED, TO PROVIDE CERTAIN IMMUNITY FOR FINANCIAL INSTITUTIONS, TO ESTABLISH CERTAIN PENALTIES FOR THE FAILURE TO COMPLY, AND TO MAKE TECHNICAL CORRECTIONS; AND TO RETITLE ARTICLE 17 OF CHAPTER 17, TITLE 63 “CHILD SUPPORT ENFORCEMENT THROUGH FINANCIAL INSTITUTION DATA MATCHES”.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 63‑17‑2310 of the 1976 Code, as last amended by Act 74 of 2013, is further amended to read:

“Section 63‑17‑2310. (A) The Child Support Services Division of the Department of Social Services shall attempt to locate individuals for the purposes of establishing paternity and establishing, modifying, and enforcing child support obligations. In all cases not being administered pursuant to Title IV‑D of the Social Security Act by the department, the clerk of court may attempt to locate individuals for the purpose of enforcing child support obligations. Notwithstanding any other provision of law making this information confidential, these entities in this State promptly shall provide to the ~~department~~ division, its designee or a federally approved child support agency of another state, or to the clerk of court, information upon request of the ~~department~~ division or another agency for the purpose of establishing paternity or establishing, modifying, or enforcing a support obligation or the clerk of court for the purpose of enforcing child support obligations:

(1) All entities in the State including, but not limited to, for‑profit, nonprofit and governmental employers, and labor organizations shall provide the full name, social security number or the alien identification number assigned to a resident alien who does not have a social security number, date of birth, home address, wages or salary, existing or available medical, hospital, and dental insurance coverage, and number of dependents listed for tax purposes on all employees, contractors, and members of labor organizations.

(2) All utility companies, including wire and nonwire telecommunication companies, cable television companies, and financial institutions, shall provide the full name, social security number or the alien identification number assigned to a resident alien who does not have a social security number, date of birth, home address, telephone number, account numbers, and other identifying data, including information on assets and liabilities, on all persons who maintain an account with that entity or for whom the entity is in possession or control of property, tangible or intangible, whether real or personal, or an interest in property, whether legal or equitable, which is subject to payment, disbursement or other method of transfer, by the entity to such person. For purposes of this item, a financial institution is defined as a federal, state, commercial, or savings bank, savings and loan association, cooperative bank, federal or state chartered credit union, benefit association, insurance company, safe deposit company, money market mutual fund, or investment company doing business in this State.

(3) The appropriate state or local agency of this State shall provide access to information contained in these records:

(a) vital statistics;

(b) state and local tax and revenue records;

(c) records concerning real and titled property;

(d) records of occupational and professional licenses;

(e) records concerning the ownership and control of corporations, partnerships, and other business entities;

(f) employment security records;

(g) records of agencies administering public assistance programs;

(h) records of motor vehicle departments; and

~~(h)~~(i) corrections records.

A state or local agency, board, or commission that provides information pursuant to this subsection to the ~~department~~ division, or to the clerk of court in non‑Title IV‑D cases, may not charge the ~~department~~ division or the clerk of court a fee for providing the information; however, a commission that receives federal grants, the uses of which are restricted, may charge a fee for providing the information.

(B) An entity that provides information pursuant to this section in good faith reliance upon certification by the ~~department~~ division, or to the clerk of court in non‑Title IV‑D cases, that the information is needed to establish paternity or to establish, modify, or enforce a support obligation is not liable for damages resulting from the disclosure.

(C) An entity that fails to provide the requested information within thirty days of the request may be subject to a civil penalty of one hundred dollars for each occurrence. Fines imposed pursuant to this subsection must be enforced as provided for in Section 63‑3‑530(A)(43) and distributed according to Section 63‑17‑520. The failure or refusal of an entity, upon request of the division, to provide the requested information also shall subject the entity to the contempt power of the family court, as provided in Section 63‑3‑530.”

SECTION 2. Section 63‑17‑2320 of the 1976 Code is amended to read:

“Section 63‑17‑2320. (A) In the manner and form prescribed by the Child Support ~~Enforcement~~ Services Division of the Department of Social Services, a financial institution, as defined in Section 63‑17‑2310(A)(2), on a quarterly basis, shall provide the division or its designee information on account holders for use in the establishment, enforcement, and collection of child support obligations including, but not limited to:

(1) full name;

(2) social security number or taxpayer identification number, or the alien identification number assigned to a resident alien who does not have a social security number;

(3) record address;

(4) account numbers; and

(5) information on assets and liabilities.

(B) Utilizing automated data exchanges to the maximum extent feasible, a financial institution shall provide for each calendar quarter the name, address, social security number, or the alien identification number assigned to a resident alien who does not have a social security number, and other identifying information for each noncustodial parent who maintains an account at the institution and who owes past‑due support, as identified by the division by name and social security number, or the alien identification number assigned to a resident alien who does not have a social security number.

(C) In response to a notice of lien or levy, provided by the division, a financial institution ~~shall~~ must encumber or surrender, as ~~the case may be~~ directed by the division, assets held by the institution on behalf of a noncustodial parent who is subject to a child support lien. Issuance of a notice of lien or levy to a financial institution by the division shall be deemed to constitute conclusive evidence of the validity of the underlying lien and a financial institution shall not refuse to encumber assets in response to the notice of lien or refuse to surrender assets in response to a notice of levy provided by the division. Notwithstanding any other provision of federal or state law, the financial institution is not liable to any person, organization or entity for encumbering or surrendering assets of a noncustodial parent in response to a notice of lien or levy by the division. The failure or refusal of a financial institution, in response to a notice of lien or levy by the division. to encumber or surrender the assets held by the financial institution on behalf of the noncustodial parent who is subject to a child support lien, shall subject the financial institution to the contempt power of the family court, as provided in Section 63‑3‑530.

(D) The ~~department~~ division shall pay a reasonable fee to a financial institution for conducting the data match, not to exceed the actual costs incurred by the financial institution.

(E) This section remains in effect until the federal mandate requiring the operation of a financial institution data match program is repealed.”

SECTION 3. Article 17 of Chapter 17, Title 63 of the 1976 Code is retitled “Child Support Enforcement Through Financial Institution Data Matches”.

SECTION 4. This act takes effect upon approval by the Governor.

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