

GENERAL ASSEMBLY OF NORTH CAROLINA

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Committee Substitute Favorable 4/28/97
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Short Title: Child Support/Fed. Req.

(Public)

Sponsors:

Referred to:

February 24, 1997

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

The General Assembly of North Carolina enacts:

PART 1. STATE DIRECTORY OF NEW HIRES.

Section 1. Effective October 1, 1997, Article 1 of Chapter 110 of the General Statutes is amended by adding the following new section to read:

"§ 110-129.2. State Directory of New Hires established; employers required to report; civil penalties for noncompliance; definitions.

(a) Directory Established. – There is established the State Directory of New Hires. The Directory shall be developed and maintained by the Department. The Directory shall be a central repository for employment information to assist in the location of persons owing child support, and in the establishment and enforcement of child support orders.

(b) Employer Reporting. – Every employer in this State shall report to the Directory the hiring of every employee for whom a federal W-4 form is required to be

1 completed by the employee at the time of hiring. The employer shall report the
2 information required under this section not later than 20 days from the date of hire, or, in
3 the case of an employer who transmits new hire reports magnetically or electronically by
4 two monthly transmissions, not less than 12 nor more than 16 days apart. The
5 Department shall notify employers of the information they must report under this section
6 and of the penalties for not reporting the required information. The required forms must
7 be provided by the Department to employers.

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

14 (d) Penalties for Failure to Report. – Upon a finding that an employer has failed to
15 comply with the reporting requirements of this section, the district court shall impose a
16 civil penalty in an amount not to exceed twenty-five dollars (\$25.00). If the court finds
17 that an employer's failure to comply with the reporting requirements is the result of a
18 conspiracy between the employer and the employee to not supply the required report or to
19 supply a false or incomplete report, then the court shall impose upon the employer a civil
20 penalty in an amount not to exceed five hundred dollars (\$500.00). Penalties collected
21 under this subsection shall be deposited to the General Fund.

22 (e) Entry of Report Data Into Directory. – Within five business days of receipt of
23 the report from the employer, the Department shall enter the information from the report
24 into the Directory.

25 (f) Notice to Employer to Withhold. – Within two business days of the date the
26 information was entered into the Directory, the Department or its designated
27 representative as defined under G.S. 110-129(5) shall transmit notice to the employer of
28 the newly hired employee directing the employer to withhold from the income of the
29 employee an amount equal to the monthly or other periodic child support obligation,
30 including any past-due support obligation of the employee and subject to the limitations
31 of G.S. 110-136.6, unless the employee's income is not subject to withholding.

32 (g) Other Uses of Directory Information. – The Employment Security
33 Commission may access information entered into the Directory from employer reports
34 for the purpose of administering employment security programs. The North Carolina
35 Industrial Commission may access information entered into the Directory from employer
36 reports for the purpose of administering workers' compensation programs.

37 (h) Department May Contract for Services. – The Department may contract with
38 other State or private entities to perform the services necessary to implement this section.

39 (i) Information Confidential. – Except as otherwise provided in this section,
40 information contained in the Directory is confidential and may be used only by the State
41 Child Support Enforcement Program.

42 (j) Definitions. – As used in this section, unless the context clearly requires
43 otherwise, the term:

- 1 (1) 'Business day' means a day on which State offices are open for
2 business.
- 3 (2) 'Department' means the Department of Human Resources.
- 4 (3) 'Employee' means an individual who is an employee within the meaning
5 of Chapter 24 of the Internal Revenue Code of 1986. The term
6 'employee' does not include an employee of a federal or State agency
7 performing intelligence or counterintelligence functions, if the head of
8 the agency has determined that reporting information as required under
9 this section could endanger the safety of the employee or compromise
10 an ongoing investigation or intelligence mission.
- 11 (4) 'Employer' has the meaning given the term in section 3401(d) of the
12 Internal Revenue Code of 1986 and includes persons who are
13 governmental entities and labor organizations. The term 'labor
14 organization' shall have the meaning given that term in section 2(5) of
15 the National Labor Relations Act, and includes any entity which is used
16 by the organization and an employer to carry out requirements described
17 in section 8(f)(3) of the National Labor Relations Act of an agreement
18 between the organization and the employer."

19

20 **PART 2. EXPANDED AUTHORITY OF THE DEPARTMENT TO ENFORCE**
21 **CHILD SUPPORT ORDERS AND TO ESTABLISH PATERNITY.**

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

24 **"§ 110-129.1. Additional powers and duties of the Department.**

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

- 28 (1) Upon authorization of the Secretary, to issue a subpoena for the
29 production of books, papers, correspondence, memoranda, agreements,
30 or other information, documents, or records relevant to a child support
31 establishment or enforcement proceeding or paternity establishment
32 proceeding. The subpoena shall be signed by the Secretary and shall
33 state the name of the person or entity required to produce the
34 information authorized under this section, and a description of the
35 information compelled to be produced. The subpoena may be served in
36 the manner provided for service of subpoenas under the North Carolina
37 Rules of Civil Procedure. The form of subpoena shall generally follow
38 the practice in the General Court of Justice in North Carolina. Return of
39 the subpoena shall be to the person who issued the subpoena. Upon the
40 refusal of any person to comply with the subpoena, it shall be the duty
41 of any judge of the district court, upon application by the person who
42 issued the subpoena, to order the person subpoenaed to show cause why
43 he should not comply with the requirements, if in the discretion of the

1 judge the requirements are reasonable and proper. Refusal to comply
2 with the subpoena or with the order shall be dealt with as for contempt
3 of court and as otherwise provided by law. Information obtained as a
4 result of a subpoena issued pursuant to this subdivision is confidential
5 and may be used only by the Child Support Enforcement Program in
6 conjunction with a child support establishment or enforcement
7 proceeding or paternity establishment proceeding.

8 (2) For the purposes of locating persons, establishing paternity, or enforcing
9 child support orders, the Program shall have direct access to any
10 information or data storage and retrieval system maintained and used by
11 the Department of Transportation for drivers license issuance or motor
12 vehicle registration, or by a law enforcement agency of this State for
13 law enforcement purposes.

14 (3) Establish and implement procedures under which in IV-D cases either
15 parent or, in the case of an assignment of support, the State may request
16 that a child support order enforced under this Chapter be reviewed and,
17 if appropriate, adjusted in accordance with the most recently adopted
18 uniform statewide child support guidelines prescribed by the
19 Conference of Chief District Court Judges.

20 (4) Develop procedures for entering into agreements with financial
21 institutions to develop and operate a data match system as provided
22 under G.S. 110-139.2.

23 (5) Develop procedures for ensuring that when a noncustodial parent
24 providing health care coverage pursuant to a court order changes
25 employers and is eligible for health care coverage from the new
26 employer, the new employer, upon receipt of notice of the order from
27 the Department, enrolls the child in the employer's health care plan.

28 (6) Develop and implement an administrative process for paternity
29 establishment in accordance with G.S. 110-132.2.

30 (7) Establish and implement administrative procedures to change the child
31 support payee to ensure that child support payments are made to the
32 appropriate caretaker when custody of the child has changed, in
33 accordance with G.S. 50-13.4(d).

34 (8) Establish and implement expedited procedures to take the following
35 actions relating to the establishment of paternity or to establishment of
36 support orders, without obtaining an order from a judicial tribunal:

37 a. Subpoena the parties to undergo genetic testing as provided
38 under G.S. 110-132.2;

39 b. Implement income withholding in accordance with this Chapter;

40 c. For the purpose of securing overdue support, increase the amount
41 of monthly support payments by implementation of income
42 withholding procedures established under G.S. 110-136.4, or by
43 notice and opportunity to contest to an obligor who is not subject

1 to income withholding. Increases under this subdivision are
2 subject to the limitations of G.S. 110-136.6;

3 d. For purposes of exerting and retaining jurisdiction in IV-D cases,
4 transfer cases between jurisdictions in this State without the
5 necessity for additional filing by the petitioner or service of
6 process upon the respondent.

7 (b) As used in this section, the term 'Secretary' means the Secretary of Human
8 Resources, the Secretary's designee, or a designated representative as defined under G.S.
9 110-129(5)."

10 Section 2.1. (a) G.S. 50-13.4(d) reads as rewritten:

11 "(d) Payments~~In non-IV-D cases, payments~~ for the support of a minor child shall
12 be ordered to be paid to the person having custody of the child or any other proper
13 person, agency, organization or institution, or to the court, for the benefit of ~~such~~the
14 child. In IV-D cases, payments for the support of a minor child shall be ordered to be
15 paid to the court or other proper State agency for the benefit of the child."

16 (b) This section applies to orders entered or modified on and after October 1,
17 1997.

18 Section 2.2. G.S. 50-13.4 is amended by adding the following new subsection
19 to read:

20 "(e1) In IV-D cases, the order for child support shall provide that the clerk shall
21 transfer the case to another jurisdiction in this State if the IV-D agency requests the
22 transfer on the basis that the obligor, the custodian of the child, and the child do not
23 reside in the jurisdiction in which the order was issued. The IV-D agency shall provide
24 notice of the transfer to the obligor. The clerk shall transfer the case to the jurisdiction
25 requested by the IV-D agency, which shall be a jurisdiction in which the obligor, the
26 custodian of the child, or the child resides. Nothing in this subsection shall be construed
27 to prevent a party from contesting the transfer."

28

29 **PART 2A. NOTICE/DUE PROCESS REQUIREMENTS.**

30 Section 2.3. Chapter 110 of the General Statutes is amended by adding the
31 following new section to read:

32 **"§ 110-131.1. Notice; due process requirements met.**

33 In any child support enforcement proceeding the trial court may deem State due
34 process requirements for notice and service of process to be met with respect to the
35 nonmoving party, upon delivery of written notice in accordance with the notice
36 requirements of Chapter 1A-1, Rule 5(b) of the Rules of Civil Procedure with respect to
37 all pleadings subsequent to the original complaint."

38

39 **PART 3. AUTHORIZE JUDGES TO IMPOSE WORK REQUIREMENTS ON**

40 **OBLIGORS WHO ARE IN ARREARS IN CHILD SUPPORT, AND TO**

41 **REQUIRE PARENTS TO PROVIDE MEDICAL SUPPORT.**

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

1 "(a1) Payment Plan/Work Requirement for Past-Due Support. In any IV-D case in
2 which an obligor owes past-due support and income withholding has been ordered but
3 cannot be implemented against the obligor, the court may order the obligor to pay the
4 support in accordance with a payment plan approved by the court and, if the obligor is
5 subject to the payment plan and is not incapacitated, the court may order the obligor to
6 participate in such work activities, as defined under Section 407(d) of P.L. 104-193, as
7 the court deems appropriate."

8 Section 3.1. G.S. 50-13.11 reads as rewritten:

9 "**§ 50-13.11. Orders and agreements regarding medical support and health**
10 **insurance coverage for minor children.**

11 (a) The court may order a parent of a minor child or other responsible party to
12 provide medical support for the child, or the parties may enter into a written agreement
13 regarding medical support for the child. ~~An order or agreement for medical support may~~
14 ~~require one or both parties to maintain health insurance, dental insurance, or both, or to~~
15 ~~pay the medical, hospital, or dental expenses.~~ An order or agreement for medical support
16 for the child may require one or both parties to pay the medical, hospital, dental, or other
17 health care related expenses.

18 (a1) The court shall order the parent of a minor child or other responsible party to
19 maintain health insurance for the benefit of the child when health insurance is available at
20 a reasonable cost. As used in this subsection, health insurance is considered reasonable
21 in cost if it is employment related or other group health insurance, regardless of service
22 delivery mechanism. The court may require one or both parties to maintain dental
23 insurance.

24 (b) The party ordered or under agreement to provide ~~medical-health~~ insurance
25 shall provide written notice of any change in the applicable insurance coverage to the
26 other party.

27 (c) The employer or insurer of the party required to provide ~~medical-health,~~
28 hospital, and dental insurance shall release to the other party, upon written request, any
29 information on a minor child's insurance coverage that the employer or insurer may
30 release to the party required to provide ~~medical-health,~~ hospital, and dental insurance.

31 (d) When a court order or agreement for ~~medical-health~~ insurance is in effect, the
32 signature of either party shall be valid authorization to the insurer to process an insurance
33 claim on behalf of a minor child.

34 (e) If the party who is required to provide ~~medical-health~~ insurance fails to
35 maintain the insurance coverage for the minor child, the party shall be liable for any
36 ~~medical-health,~~ hospital, or dental expenses incurred from the date of the court order or
37 agreement that would have been covered by insurance if it had been in force.

38 (f) When a noncustodial parent ordered to provide health insurance changes
39 employment and health insurance coverage is available through the new employer, the
40 obligee shall notify the new employer of the noncustodial parent's obligation to provide
41 health insurance for the child. Upon receipt of notice from the obligee, the new employer
42 shall enroll the child in the employer's health insurance plan."

43 Section 3.2. G.S. 108A-69(b) reads as rewritten:

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

- 4 (1) Must allow the parent to enroll, under family coverage, the child if the
5 child would be otherwise eligible for coverage without regard to any
6 enrollment season restrictions.
- 7 (2) Must enroll the child under family coverage upon application of the
8 child's other parent or upon receipt of notice from the Department of
9 Human Resources in connection with its administration of the Medical
10 Assistance or Child Support Enforcement Program if the parent is
11 enrolled but fails to make application to obtain coverage for the child.
- 12 (3) May not disenroll or eliminate coverage of the child unless:
- 13 a. The employer is provided satisfactory written evidence that:
- 14 1. The court or administrative order is no longer in effect; or
15 2. The child is or will be enrolled in comparable health
16 benefit plan coverage that will take effect not later than
17 the effective date of disenrollment; or
- 18 b. The employer has eliminated family health benefit plan coverage
19 for all of its employees.
- 20 (4) Must withhold from the employee's compensation the employee's share,
21 if any, of premiums for health benefit plan coverage, not to exceed the
22 maximum amount permitted to be withheld under section 303(b) of the
23 federal Consumer Credit Protection Act, as amended; and must pay this
24 amount to the health insurer; subject to regulations, if any, adopted by
25 the Secretary of the U.S. Department of Health and Human Services."
26

27 **PART 3A. CONFORM STATE TAX INTERCEPT LAW TO FEDERAL** 28 **REQUIREMENTS.**

29 Section 3.3. G.S. 105A-2(1)d. reads as rewritten:

30 "d. The North Carolina Department of Human Resources when in
31 the performance of its duties, under the Child Support
32 Enforcement Program as enabled by Chapter 110, Article 9 and
33 Title IV, Part D of the Social Security Act to obtain
34 indemnification for past paid public assistance or to collect child
35 support ~~arrears~~—owed to an individual receiving program
36 services and any county operating the program at the local level,
37 when and only to the extent that the county is engaged in the
38 performance of those same duties;"

39 40 **PART 4. REQUIREMENT TO PROVIDE SOCIAL SECURITY NUMBERS ON** 41 **CERTAIN DOCUMENTS.**

42 Section 4. G.S. 20-7(b1) reads as rewritten:

1 "(b1) Application. – To obtain a drivers license from the Division, a person must
2 complete an application form provided by the Division, present at least two forms of
3 identification approved by the Commissioner, be a resident of this State, and demonstrate
4 his or her physical and mental ability to drive safely a motor vehicle included in the class
5 of license for which the person has applied. The Division may copy the identification
6 presented or hold it for a brief period of time to verify its authenticity. To obtain an
7 endorsement, a person must demonstrate his or her physical and mental ability to drive
8 safely the type of motor vehicle for which the endorsement is required.

9 The application form must request all of the following information:

- 10 (1) The applicant's full name.
- 11 (2) The applicant's mailing address and residence address.
- 12 (3) A physical description of the applicant, including the applicant's sex,
13 height, eye color, and hair color.
- 14 (4) The applicant's date of birth.
- 15 (5) The applicant's social security number. The Division shall not issue a
16 license to an applicant who fails to provide the applicant's social
17 security number. The applicant's social security number shall not be
18 printed on the license and may be released only to the Department of
19 Human Resources, Child Support Enforcement Program, upon its
20 request and for the purpose of establishing paternity or child support, or
21 enforcing a child support order.
- 22 (6) The applicant's signature.

23 The application form must also contain the disclosures concerning the request for an
24 applicant's social security number required by section 7 of the federal Privacy Act of
25 1974, Pub. L. No. 93-579. In accordance with 42 U.S.C. 405(c)(2)(C)(v), the Division
26 may disclose a social security number obtained under this subsection only for the purpose
27 of administering the drivers license laws and may not disclose the social security number
28 for any other purpose. The social security number of an applicant for a license or of a
29 licensed driver is therefore not a public record. A violation of the disclosure restrictions is
30 punishable as provided in 42 U.S.C. 405(c)(2)(C)(vii)."

31 Section 4.1. G.S. 49-7 reads as rewritten:

32 "**§ 49-7. Issues and orders.**

33 The court before which the matter may be brought shall determine whether or not the
34 defendant is a parent of the child on whose behalf the proceeding is instituted. After this
35 matter has been determined in the affirmative, the court shall proceed to determine the
36 issue as to whether or not the defendant has neglected or refused to provide adequate
37 support and maintain the child who is the subject of the proceeding. After this matter
38 shall have been determined in the affirmative, the court shall fix by order, subject to
39 modification or increase from time to time, a specific sum of money necessary for the
40 support and maintenance of the child, subject to the limitations of G.S. 50-13.10. The
41 amount of child support shall be determined as provided in G.S. 50-13.4(c). The order
42 fixing the sum shall require the defendant to pay it either as a lump sum or in periodic
43 payments as the circumstances of the case may appear to the court to require. The social

1 security number, if known, of the minor child's parents shall be placed in the record of
2 the proceeding. Compliance by the defendant with any or all of the further provisions of
3 this Article or the order or orders of the court requiring additional acts to be performed by
4 the defendant shall not be construed to relieve the defendant of his or her responsibility to
5 pay the sum fixed or any modification or increase thereof.

6 The court before whom the matter may be brought, on motion of the State or the
7 defendant, shall order that the alleged-parent defendant, the known natural parent, and the
8 child submit to any blood tests and comparisons which have been developed and adapted
9 for purposes of establishing or disproving parentage and which are reasonably accessible
10 to the alleged-parent defendant, the known natural parent, and the child. The results of
11 those blood tests and comparisons, including the statistical likelihood of the alleged
12 parent's parentage, if available, shall be admitted in evidence when offered by a duly
13 qualified, licensed practicing physician, duly qualified immunologist, duly qualified
14 geneticist or other duly qualified person. The evidentiary effect of those blood tests and
15 comparisons and the manner in which the expenses therefor are to be taxed as costs shall
16 be as prescribed in G.S. 8-50.1. In addition, if a jury tries the issue of parentage, they
17 shall be instructed as set out in G.S. 8-50.1. From a finding on the issue of parentage
18 against the alleged-parent defendant, the alleged-parent defendant has the same right of
19 appeal as though he or she had been found guilty of the crime of willful failure to support
20 an illegitimate child."

21 Section 4.2. G.S. 49-14(a) reads as rewritten:

22 "(a) The paternity of a child born out of wedlock may be established by civil action
23 at any time prior to such child's eighteenth birthday. A certified copy of a certificate of
24 birth of the child shall be attached to the complaint. ~~Such~~ The establishment of paternity
25 shall not have the effect of legitimation. The social security numbers, if known, of the
26 minor child's parents shall be placed in the record of the proceeding."

27 Section 4.3. G.S. 50-8 reads as rewritten:

28 "**§ 50-8. Contents of complaint; verification; venue and service in action by**
29 **nonresident; certain divorces validated.**

30 In all actions for divorce the complaint shall be verified in accordance with the
31 provisions of Rule 11 of the Rules of Civil Procedure and G.S. 1-148. The plaintiff shall
32 set forth in his or her complaint that the complainant or defendant has been a resident of
33 the State of North Carolina for at least six months next preceding the filing of the
34 complaint, and that the facts set forth therein as grounds for divorce, except in actions for
35 divorce from bed and board, have existed to his or her knowledge for at least six months
36 prior to the filing of the complaint: Provided, however, that if the cause for divorce is
37 one-year separation, then it shall not be necessary to allege in the complaint that the
38 grounds for divorce have existed for at least six months prior to the filing of the
39 complaint; it being the purpose of this proviso to permit a divorce after such separation of
40 one year without awaiting an additional six months for filing the complaint: Provided,
41 further, that if the complainant is a nonresident of the State action shall be brought in the
42 county of the defendant's residence, and summons served upon the defendant personally
43 or service of summons accepted by the defendant personally in the manner provided in

1 G.S. 1A-1, Rule 4(j)(1). Notwithstanding any other provision of this section, any suit or
2 action for divorce heretofore instituted by a nonresident of this State in which the
3 defendant was personally served with summons or in which the defendant personally
4 accepted service of the summons and the case was tried and final judgment entered in a
5 court of this State in a county other than the county of the defendant's residence, is hereby
6 validated and declared to be legal and proper, the same as if the suit or action for divorce
7 had been brought in the county of the defendant's residence.

8 In all divorce actions the complaint shall set forth the name and age of any minor
9 child or children of the marriage, and in the event there are no ~~such~~ minor children of the
10 marriage, the complaint shall so state. In addition, when there are minor children of the
11 marriage, the complaint shall state the social security number of the plaintiff and, if
12 known, the social security number of the defendant.

13 In all prior suits and actions for divorce heretofore instituted and tried in the courts of
14 this State where the averments of fact required to be contained in the affidavit heretofore
15 required by this section are or have been alleged and set forth in the complaint in said
16 suits or actions and said complaints have been duly verified as required by Rule 11 of the
17 Rules of Civil Procedure, said allegations so contained in said complaints shall be
18 deemed to be, and are hereby made, a substantial compliance as to the allegations
19 heretofore required by this section to be set forth in any affidavit; and all such suits or
20 actions for divorce, as well as the judgments or decrees issued and entered as a result
21 thereof, are hereby validated and declared to be legal and proper judgments and decrees
22 of divorce.

23 In all suits and actions for divorce heretofore instituted and tried in this State on and
24 subsequent to the 5th day of April, 1951, wherein the statements, averments, or
25 allegations in the verification to the complaint in said suits or actions are not in
26 accordance with the provisions of Rule 11 of the Rules of Civil Procedure and G.S. 1-148
27 or the requirements of this section as to verification of complaint or the allegations,
28 statements or averments in the verification contain the language that the facts set forth in
29 the complaint are true 'to the best of affiant's knowledge and belief' instead of the
30 language 'that the same is true to his (or her) own knowledge' or similar variation in
31 language, said allegations, statements and averments in said verifications as contained in
32 or attached to said complaint shall be deemed to be, and are hereby made, a substantial
33 compliance as to the allegations, averments or statements required by this section to be
34 set forth in any such verifications; and all such suits or actions for divorce, as well as the
35 judgments or decrees issued and entered as a result thereof, are hereby validated and
36 declared to be legal and proper judgments and decrees of divorce. The judgment of
37 divorce shall include, where there are minor children of the parties, the social security
38 numbers of the parties."

39 Section 4.4. G.S. 50-13.4 is amended by adding the following new subsections
40 to read:

41 "(g) An individual who brings an action or motion in the cause for the support of a
42 minor child, and the individual who defends the action, shall provide to the clerk of the
43 court in which the action is brought or the order is issued, the individual's social security

1 number. The child support order shall contain the social security number of the parties as
2 evidenced in the support proceeding.

3 (h) Child support orders initially entered or modified on and after October 1, 1998,
4 shall contain the name of each of the parties, the date of birth of each party, the social
5 security number of each party, and the court docket number. The Administrative Office
6 of the Courts shall transmit to the Department of Human Resources, Child Support
7 Enforcement Program, on a timely basis, the information required to be included on
8 orders under this subsection."

9 Section 4.5. G.S. 51-8 reads as rewritten:

10 **"§ 51-8. License issued by register of deeds.**

11 Every register of deeds shall, upon proper application, issue a license for the marriage
12 of any two persons if it appears that such persons are authorized to be married in
13 accordance with the laws of this State. In making a determination as to whether or not the
14 parties are authorized to be married under the laws of this State, the register of deeds may
15 require the applicants for the license to marry to present certified copies of birth
16 certificates or birth registration cards provided for in G.S. 130-73, or such other evidence
17 as the register of deeds deems necessary to such determination. The register of deeds may
18 administer an oath to any person presenting evidence relating to whether or not parties
19 applying for a marriage license are eligible to be married pursuant to the laws of this
20 State. Each applicant for a marriage license shall provide on the application the
21 applicant's social security number. The register of deeds shall not issue a marriage
22 license unless all of the requirements of this section have been met."

23 Section 4.6. Chapter 93B of the General Statutes is amended by adding the
24 following new section to read:

25 **"§ 93B-14. Information on applicants for licensure.**

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

31
32 **PART 4A. PATERNITY ESTABLISHMENT PROCEEDINGS.**

33 Section 4.7. G.S. 110-132(a) reads as rewritten:

34 **"§ 110-132. Acknowledgment of paternity and agreement to support.**

35 (a) In lieu of or in conclusion of any legal proceeding instituted to establish
36 paternity, the written acknowledgment of paternity executed by the putative father of the
37 dependent child when accompanied by a written affirmation of paternity executed and
38 sworn to by the mother of the dependent child shall constitute an admission of paternity,
39 subject to the right of either signatory to rescind within the earlier of:

40 (1) 60 days of the date the document is executed, or

41 (2) The date of entry of an order establishing paternity or an order for the
42 payment of child support.

1 and filed with and approved by a judge of the district court in the county where the
2 mother of the child resides or is found, or in the county where the putative father resides
3 or is found, or in the county where the child resides or is found shall have the same force
4 and effect as a judgment of that court; and a

5 In order to rescind, a challenger must request the district court to order the rescission
6 and to include in the order specific findings of fact that the request for rescission was filed
7 with the clerk of court within 60 days of the signing of the document. The court must
8 also find that all parties, including the child support enforcement agency, if appropriate,
9 have been served in accordance with Rule 4 of the North Carolina Rules of Civil
10 Procedure. In the event the court orders rescission and the putative father is thereafter
11 found not to be the father of the child, then the clerk of court shall send a copy of the
12 order of rescission to the State Registrar of Vital Statistics. Upon receipt of an order of
13 rescission, the State Registrar shall remove the putative father's name from the birth
14 certificate. In the event that the putative father defaults or fails to present or prosecute
15 the issue of paternity, the trial court shall find the putative father to be the biological
16 father as a matter of law.

17 After 60 days have elapsed, execution of the document may be challenged in court
18 only upon the basis of fraud, duress, mistake, or excusable neglect. The burden of proof
19 shall be on the challenging party, and the legal responsibilities, including child support
20 obligations, of any signatory arising from the executed documents may not be suspended
21 during the challenge except for good cause shown.

22 A written agreement to support ~~said~~ the child by periodic payments, which may
23 include provision for reimbursement for medical expenses incident to the pregnancy and
24 the birth of the child, accrued maintenance and reasonable expense of prosecution of the
25 paternity action, when acknowledged as provided herein, filed with, and approved by a
26 judge of the district court at any time, shall have the same force and effect as an order of
27 support entered by that court, and shall be enforceable and subject to modification in the
28 same manner as is provided by law for orders of the court in such cases. ~~Such~~ The written
29 affirmation shall contain the social security number of the person executing the
30 affirmation, and the written acknowledgment shall contain the social security number of
31 the person executing the acknowledgment. Voluntary agreements to support shall
32 contain the social security number of each of the parties to the agreement. The written
33 affirmations, acknowledgments and agreements to support shall be sworn to before a
34 certifying officer or notary public or the equivalent or corresponding person of the state,
35 territory, or foreign country where the affirmation, acknowledgment, or agreement is
36 made, and shall be binding on the person executing the same whether ~~he~~ the person is an
37 adult or a minor. The child support enforcement agency shall ensure that the mother and
38 putative father are given oral and written notice of the legal consequences and
39 responsibilities arising from the signing of an acknowledgement of paternity, and of any
40 alternatives to the execution of an acknowledgment or affirmation of paternity. ~~Such~~ The
41 mother shall not be excused from making ~~such~~ the affirmation on the grounds that it may
42 tend to disgrace or incriminate her; nor shall she thereafter be prosecuted for any criminal
43 act involved in the conception of the child as to whose paternity she makes affirmation."

1 Section 4.8. G.S. 110-133 reads as rewritten:

2 **"§ 110-133. Agreements of support.**

3 In lieu of or in conclusion of any legal proceeding instituted to obtain support from a
4 responsible parent for a dependent child born of the marriage, a written agreement to
5 support the child by periodic payments executed by the responsible parent when
6 acknowledged before a certifying officer or notary public or the equivalent or
7 corresponding person of the state, territory, or foreign country where the
8 acknowledgment is made and filed with and approved by a judge of the district court in
9 the county where the custodial parent of the child resides or is found, or in the county
10 where the noncustodial parent resides or is found, or in the county where the child resides
11 or is found shall have the same force and effect, retroactively and prospectively, in
12 accordance with the terms of the agreement, as an order of support entered by the court,
13 and shall be enforceable and subject to modification in the same manner as is provided by
14 law for orders of the court in such cases. A responsible parent executing a written
15 agreement under this section shall provide on the agreement the responsible parent's
16 social security number."

17 Section 4.9. G.S. 49-12.1(c) reads as rewritten:

18 "(c) The parties may ~~waive a jury trial and~~ enter a consent order with the approval
19 of the clerk of superior court. The order entered by the clerk shall find the facts and
20 declare the proper person the father of the child and may change the surname of the
21 child."

22 Section 4.10. G.S. 49-14 is amended by adding the following new subsections
23 to read:

24 "(f) Parties to an action to establish paternity are not entitled to a trial by jury on
25 the issue of paternity.

26 (g) When a determination of paternity is pending in a IV-D case, the court shall
27 enter a temporary order for child support upon motion and showing of clear, cogent, and
28 convincing evidence of paternity. For purposes of this subsection, the results of blood or
29 genetic tests shall constitute clear, cogent, and convincing evidence of paternity if the
30 tests show that the probability of the alleged parent's parentage is ninety-seven percent
31 (97%) or higher. If paternity is not thereafter established, then the putative father shall be
32 reimbursed the full amount of temporary support paid under the order.

33 (h) Invoices for services rendered for pregnancy, childbirth, and blood or genetic
34 testing are admissible as evidence without requiring third party foundation testimony and
35 shall constitute prima facie evidence of the amounts incurred for the services or for
36 testing on behalf of the child."

37 Section 4.11. Chapter 110 of the General Statutes is amended by adding the
38 following new section to read:

39 **"§ 110-132.2. Expedited procedures to establish paternity in IV-D cases.**

40 (a) In a IV-D case, a local child support enforcement office may, without
41 obtaining a court order, subpoena a minor child, the minor child's mother, and the
42 putative father of the minor child (including the mother's husband, if different from the
43 putative father) to appear for the purpose of undergoing blood or genetic testing to

1 establish paternity. A subpoena issued pursuant to this section must be served in
2 accordance with Rule 4 of the North Carolina Rules of Civil Procedure. Refusal to
3 comply with a subpoena may be dealt with as for contempt of court, and as otherwise
4 provided under law. A party may contest the results of the genetic or blood test. If the
5 results are contested, the agency shall, upon request and advance payment by the
6 contestant, obtain additional testing.

7 (b) A person subpoenaed to submit to testing pursuant to subsection (a) of this
8 section may contest the subpoena. To contest the subpoena, a person must, within 15
9 days of receipt of the subpoena, request a hearing in the county where the local child
10 support enforcement office that issued the subpoena is located. The hearing shall be
11 before the district court and notice of the hearing must be served by the petitioner on all
12 parties to the proceeding. Service shall be in accordance with Rule 4 of the North
13 Carolina Rules of Civil Procedure. The hearing shall be held and a determination made
14 within 30 days of the petitioner's request for hearing as to whether the petitioner must
15 comply with the subpoena to undergo testing. If the trial court determines that the
16 petitioner must comply with the subpoena, the determination shall not prejudice any
17 defenses the petitioner may present at any future paternity litigation."

18 Section 4.12. G.S. 130A-101(f) reads as rewritten:

19 "(f) If the mother was unmarried at all times from date of conception through date
20 of birth, the name of the father shall not be entered on the certificate unless the child's
21 mother and father complete an affidavit acknowledging paternity which contains the
22 following:

- 23 (1) A sworn statement by the mother consenting to the assertion of paternity
24 by the father and declaring that the father is the child's natural father;
- 25 (2) A sworn statement by the father declaring that he believes he is the
26 natural father of the child;
- 27 (3) Information explaining in plain language the effect of signing the
28 affidavit, including a statement of parental rights and responsibilities
29 and an acknowledgment of the receipt of this information; and
- 30 (4) The social security numbers of both parents.

31 The State Registrar, in consultation with the Child Support Enforcement Section of the
32 Division of Social Services, shall develop and disseminate a form affidavit for use in
33 compliance with this section, together with an information sheet that contains all the
34 information required to be disclosed by subdivision (3) of this subsection.

35 Upon the execution of the affidavit, the declaring father shall be listed as the father on
36 the birth certificate and shall be presumed to be the natural father of the ~~child.~~ child,
37 subject to the declaring father's right to rescind under G.S. 110-132. The executed
38 affidavit shall be filed with the registrar along with the birth certificate. A certified copy
39 of the affidavit shall be admissible in any action to establish paternity. ~~The presumption~~
40 ~~of paternity arising under this section may be rebutted in a legal action only by clear,~~
41 ~~eogent, and convincing evidence.~~ The surname of the child shall be determined by the
42 mother, except if the father's name is entered on the certificate, the mother and father

1 shall agree upon the child's surname. If there is no agreement, the child's surname shall be
2 the same as that of the mother.

3 The execution and filing of this affidavit with the registrar does not affect rights of
4 inheritance unless the affidavit is also filed with the clerk of court in accordance with
5 G.S. 29-19(b)(2)."
6

7 **PART 5. SUSPENSION/REVOCAION OF LICENSES FOR FAILURE TO**
8 **COMPLY WITH SUBPOENA ISSUED PURSUANT TO CHILD SUPPORT OR**
9 **PATERNITY ESTABLISHMENT PROCEEDINGS.**

10 Section 5. The catch line to G.S. 110-142 reads as rewritten:

11 "**§ 110-142. Definitions; suspension and revocation of occupational, professional, or**
12 **business licenses of obligors who are delinquent in court-ordered child**
13 **support or subject to outstanding warrants for failure to appear for**
14 **failure to comply with the terms of a court order for child support.**
15 **support, or who are not in compliance with subpoenas issued pursuant to**
16 **child support or paternity establishment proceedings."**

17 Section 5.1. G.S. 110-142.1 reads as rewritten:

18 "**§ 110-142.1. IV-D notified suspension, revocation, and issuance of occupational,**
19 **professional, or business licenses of obligors who are delinquent in court-**
20 **ordered child support or subject to outstanding warrants for failure to**
21 **appear for failure to comply with the terms of a court order for child**
22 **support. or who are not in compliance with subpoenas issued pursuant to**
23 **child support or paternity establishment proceedings.**

24 (a) Effective July 1, 1996, the Department of Human Resources may notify any
25 board that a person licensed by that board is not in compliance with an order for child
26 support. support or with a subpoena issued pursuant to child support or paternity
27 establishment proceedings.

28 (b) ~~The designated representative shall maintain a list of those obligors included in~~
29 ~~a IV-D case for which a child support order has been rendered by, or registered in, a court~~
30 ~~of this State, and who are not in compliance with that order. The designated~~
31 ~~representative shall submit a certified list with the names, social security numbers, and~~
32 ~~last known address of these obligors and the name, address, and telephone number of the~~
33 ~~person who certified the list to the Department of Human Resources, Division of Social~~
34 ~~Services, Child Support Enforcement Office. individuals who are not in compliance with~~
35 ~~a child support order or with a subpoena issued pursuant to a child support or paternity~~
36 ~~establishment proceeding. The designated representative shall verify, under penalty of~~
37 ~~perjury, that the obligors individuals 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 are not in~~
39 ~~compliance with a subpoena issued pursuant to a child support or paternity establishment~~
40 ~~proceeding. The verification shall include the name, address, and telephone number of~~
41 ~~the designated representative who certified the list. An updated certified list shall be~~
42 ~~submitted to the 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, the 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—individuals~~ from the
9 Department of Human Resources, each board shall determine whether its applicant or
10 licensee is an ~~obligor—individual~~ on the list. If the applicant or licensee is an ~~obligor~~ on
11 the list, the board shall immediately send notice as specified in this subsection to the
12 applicant or licensee of the board's intent to revoke or suspend the licensee's license in 20
13 days from the date of the notice, or that the board is withholding issuance or renewal of
14 an applicant's license, until the designated representative certifies that the applicant or
15 licensee is entitled to be licensed or reinstated. The notice shall be made personally or by
16 certified mail to the ~~obligor's—individual's~~ last known mailing address on file with the
17 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—individual's~~ license 20 days
20 from the date of the notice to the ~~obligor—individual~~ of the board's intent to revoke or
21 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 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~~
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—individual.~~ The Department
33 of Human Resources shall also develop a form that the ~~obligor—individual~~ shall use to
34 request a review by the designated representative. A copy of this form shall be included
35 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—individual~~ to have the underlying
38 arrearage and any relevant defenses investigated, to provide an ~~obligor—individual~~
39 information on the process of obtaining a modification of a support order, or, if the
40 circumstances so warrant, to provide an ~~obligor—individual~~ assistance in the establishment
41 of a payment schedule on arrears.

42 (h) If the ~~obligor—individual~~ wishes to challenge the submission of the ~~obligor's~~
43 individual's name on the certified ~~list—list,~~ or if the individual wishes to negotiate a

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

19 (i) The designated representative shall notify the ~~obligor individual~~ in writing that
20 the ~~obligor individual~~ may, by filing a motion, request any or all of the following:

- 21 (1) Judicial review of the designated representative's decision.
- 22 (2) A judicial determination of compliance.
- 23 (3) A modification of the support order.

24 The notice shall also contain the name and address of the court in which the ~~obligor~~
25 ~~individual~~ shall file the motion and inform the ~~obligor individual~~ that the ~~obligor's~~
26 ~~individual's~~ name shall remain on the certified list unless the judicial review results in a
27 finding by the court that the ~~obligor is no longer in arrears or that the obligor's license~~
28 ~~should be reinstated under subsection (k) of this~~ the individual is in compliance with this
29 section. The notice shall also inform the ~~obligor individual~~ that the ~~obligor individual~~
30 must comply with all statutes and rules of court regarding motions and notices of hearing
31 and that any motion filed under this section is subject to the limitations of G.S. 50-13.10.

32 (j) The motion for judicial review of the designated representative's decision shall
33 state the grounds for which review is requested and judicial review shall be limited to
34 those stated grounds. After service of the request for review, the court shall hold an
35 evidentiary hearing at the next regularly scheduled session for the hearing of child
36 support matters in civil district court. The request for judicial review shall be served by
37 the ~~obligor individual~~ upon the designated representative who submitted the ~~obligor's~~
38 ~~individual's~~ name on the certified list within seven calendar days of the filing of the
39 motion.

40 (k) If the judicial review results in a finding by the court that the ~~obligor individual~~
41 is no longer in arrears or that the ~~obligor's individual's~~ license should be reinstated to
42 allow the ~~obligor individual~~ an opportunity to comply with a payment schedule on arrears
43 or reimbursement and current support obligations, the designated representative shall

1 immediately send a notice to the appropriate board certifying the ~~obligor's~~ individual's
2 compliance with this section. ~~In the event of appeal from the judicial review, the license~~
3 ~~revocation shall not be stayed unless the court specifically provides otherwise.~~ If the
4 judicial review results in a finding that the individual has complied with or is no longer
5 subject to the subpoena that was the basis for the revocation, then the designated
6 representative shall immediately send a notice to the appropriate board certifying the
7 individual's compliance with this section. In the event of an appeal from judicial review,
8 the license revocation shall not be stayed unless the court specifically provides otherwise.

9 (l) The Department of Human Resources shall prescribe forms for use by the
10 designated representative. When the ~~obligor~~ individual is no longer in arrears or
11 negotiates an agreement with the designated representative for a payment schedule on
12 arrears or reimbursement ~~as provided in subsection (h) of this section,~~ the designated
13 representative shall mail to the ~~obligor~~ individual and the appropriate board a notice
14 certifying that the ~~obligor~~ individual is in compliance. The receipt of certification shall
15 serve to notify the ~~obligor~~ individual and the board that, for the purposes of this section,
16 the ~~obligor~~ individual is in compliance with the order for support. When the individual
17 has complied with or is no longer subject to a subpoena issued pursuant to a child support
18 or paternity establishment proceeding, the designated representative shall mail to the
19 individual and the appropriate board a notice certifying that the individual is in
20 compliance. The receipt of certification shall serve to notify the individual and the board
21 that the individual is in compliance with this section.

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

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

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

32 (p) If any provision of this section or its application to any person or circumstance
33 is held invalid, that invalidity shall not affect other provisions or applications of this
34 section that can be given effect without the invalid provision or application, and to this
35 end the provisions of this section are severable."

36 Section 5.2. G.S. 110-142.2 reads as rewritten:

37 "**§ 110-142.2. Suspension, revocation, restriction of license to operate a motor**
38 **vehicle or hunting, fishing, or trapping licenses; refusal of registration of**
39 **motor vehicle.**

40 (a) Effective December 1, 1996, notwithstanding any other provision of law, when
41 an ~~obligor~~ individual is at least 90 days in arrears in making child support payments, or is
42 not in compliance with a subpoena issued pursuant to child support or paternity
43 establishment proceedings, the child support enforcement agency may apply to the court,

1 pursuant to the regular show cause and contempt provisions of G.S. 50-13.9(d), for an
2 order doing any of the following:

- 3 (1) Revoking the ~~obligor's~~ individual's regular or commercial license to
4 operate a motor vehicle;
- 5 (2) Revoking the ~~obligor's~~ individual's hunting, fishing, or trapping
6 licenses;
- 7 (3) Directing the Department of Transportation, Division of Motor
8 Vehicles, to refuse, pursuant to G.S. 20-50.4, to register the ~~obligor's~~
9 individual's motor vehicle.

10 (b) Upon finding that the ~~obligor~~ individual has willfully failed to comply with the
11 child support order or with a subpoena issued pursuant to child support proceedings, and
12 that the obligor is at least 90 days in arrears, or upon a finding that an individual subject
13 to a subpoena issued pursuant to child support or paternity establishment proceedings has
14 failed to comply with the subpoena, the court may enter an order instituting the sanctions
15 as provided in subsection (a) of this section. The court may stay the effectiveness of the
16 sanctions upon conditions requiring the obligor to make full payment of the delinquency
17 over time. Any such stay shall also be conditioned upon the obligor's maintenance of
18 current child support. The court may stay the effectiveness of the sanctions against an
19 individual subject to a subpoena issued pursuant to child support or paternity
20 establishment proceedings upon a finding that the individual has complied with or is no
21 longer subject to the subpoena. Upon entry of an order pursuant to this section that is not
22 stayed, the ~~obligor~~ individual shall surrender any licenses revoked by the court's order to
23 the child support enforcement agency and the agency shall forward a report to the
24 appropriate licensing authority within 30 days of the order.

25 (c) If the ~~obligor's~~ individual's regular or commercial drivers license is revoked
26 under this section and the court, after the hearing, makes a finding that a license to
27 operate a motor vehicle is necessary to the ~~obligor's~~ individual's livelihood, the court may
28 issue a limited driving privilege, with those terms and conditions applying as the court
29 shall prescribe. An ~~obligor~~ individual whose license has been revoked for reasons not
30 related to this section and whose license remains revoked at the time of the hearing shall
31 not be eligible and may not be issued a limited driving privilege. The court may modify
32 or revoke the limited driving privilege pursuant to G.S. 20-179.3(i).

33 (d) An ~~obligor~~ individual may file a request with the child support enforcement
34 agency for certification that the ~~obligor~~ individual is no longer delinquent in child support
35 payments upon submission of proof satisfactory to the child support enforcement agency
36 that the ~~obligor~~ individual has paid the delinquent amount in full. An individual subject
37 to a subpoena issued pursuant to a child support or paternity establishment proceeding
38 may file a request with the child support enforcement agency for certification that the
39 individual has complied with or is no longer subject to the subpoena. The child support
40 enforcement agency shall provide a form to be used by the ~~obligor~~ individual for a
41 request for certification. If the child support enforcement agency finds that the ~~obligor~~
42 individual has met the requirements for reinstatement under this subsection, then the
43 child support enforcement agency shall certify that the ~~obligor~~ individual is no longer

1 delinquent or that the individual has complied with or is no longer subject to a subpoena
2 issued pursuant to child support or paternity establishment proceedings and shall provide
3 a copy of the certification to the ~~obligor~~-individual.

4 (e) If licensing privileges are revoked under this section, the ~~obligor~~-individual
5 may petition the district court for a reinstatement of such privileges. The court may order
6 the privileges reinstated conditioned upon full payment of the delinquency over ~~time~~
7 time, or, as applicable, may order the reinstatement if the court finds that the individual
8 has complied with or is no longer subject to the subpoena issued pursuant to paternity
9 establishment proceedings. Any order allowing license reinstatement shall additionally
10 require the obligor's maintenance of current child support. Upon reinstatement under this
11 subsection, the child support enforcement agency shall certify that the ~~obligor~~-individual
12 is no longer ~~delinquent~~-delinquent, or, as applicable, that the individual has complied
13 with or is no longer subject to the subpoena issued pursuant to child support or paternity
14 establishment proceedings and shall provide a copy of the certification to the ~~obligor~~-
15 individual, as applicable.

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

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

23 (h) If the court imposes sanctions under subdivision (3) of subsection (a) of this
24 section and the sanctions are stayed upon conditions as provided in subsection (b) of this
25 section, the child support enforcement agency may, without any further application to the
26 court, notify the Division of Motor Vehicles if the ~~obligor~~-individual violates the terms
27 and conditions of the stay. The Division shall then take such action as provided in
28 subdivision (3) of subsection (a) of this section. The Division shall not remove any
29 restriction of the ~~obligor's~~-individual's motor vehicle registration, until receipt of
30 certification pursuant to subsection (d) or (e) of this section.

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

35 Section 5.3. G.S. 50-13.12 reads as rewritten:

36 "**§ 50-13.12. Forfeiture of Licensing Privileges for Failure to Pay Child Support.**
37 **Support or for Failure to Comply with Subpoena Issued Pursuant to Child**
38 **Support or Paternity Establishment Proceedings.**

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

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

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

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

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

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

12 (b) Upon a finding by the district court judge that the obligor is willfully
13 delinquent in child support payments equal to at least one month's child support, or upon
14 a finding that a person has willfully failed to comply with a subpoena issued pursuant to a
15 child support or paternity establishment proceeding, and upon findings as to any specific
16 licensing privileges held by the ~~obligor~~, obligor or held by the person subject to the
17 subpoena, the court may revoke some or all of such privileges until the obligor shall have
18 paid the delinquent amount in ~~full~~-full, or, as applicable, until the person subject to the
19 subpoena has complied with the subpoena. The court may stay any such revocation
20 pertaining to the obligor upon conditions requiring the obligor to make full payment of
21 the delinquency over time. Any such stay shall further be conditioned upon the obligor's
22 maintenance of current child support. The court may stay the revocation pertaining to the
23 person subject to the subpoena upon a finding that the person has complied with or is no
24 longer subject to the subpoena. Upon an order revoking such privileges of an obligor that
25 does not stay the revocation, the clerk of superior court shall notify the appropriate
26 licensing board that the obligor is delinquent in child support payments and that the
27 obligor's licensing privileges are revoked until such time as the licensing board receives
28 proof of certification by the clerk that the obligor is no longer delinquent in child support
29 payments. Upon an order revoking such privileges of a person subject to the subpoena
30 that does not stay the revocation, the clerk of superior court shall notify the appropriate
31 licensing board that the person has failed to comply with the subpoena issued pursuant to
32 a child support or paternity establishment proceeding and that the person's licensing
33 privileges are revoked until such time as the licensing board receives proof of
34 certification by the clerk that the person is in compliance with or no longer subject to the
35 subpoena.

36 (c) An obligor may file a request with the clerk of superior court for certification
37 that the obligor is no longer delinquent in child support payments upon submission of
38 proof satisfactory to the clerk that the obligor has paid the delinquent amount in full. A
39 person whose licensing privileges have been revoked under subsection (b) of this section
40 because of a willful failure to comply with a subpoena may file a request with the clerk of
41 superior court for certification that the person has met the requirements of or is no longer
42 subject to the subpoena. The clerk shall provide a form to be used by the ~~obligor~~ for a
43 request for certification. If the clerk finds that the obligor has met the requirements for

1 reinstatement under this subsection, then the clerk shall certify that the obligor is no
2 longer delinquent and shall provide a copy of the certification to the obligor. Upon
3 request of the obligor, the clerk shall mail a copy of the certification to the appropriate
4 licensing board. If the clerk finds that the person whose licensing privileges have been
5 revoked under subsection (b) of this section for failure to comply with a subpoena has
6 complied with or is no longer subject to the subpoena, then the clerk shall certify that the
7 person has met the requirements of or is no longer subject to the subpoena and shall
8 provide a copy of the certification to the person. Upon request of the person, the clerk
9 shall mail a copy of the certification to the appropriate licensing board.

10 (d) If licensing privileges are revoked under this section, the obligor may petition
11 the district court for a reinstatement of such privileges. The court may order the
12 privileges reinstated conditioned upon full payment of the delinquency over time. Any
13 order allowing license reinstatement shall additionally require the obligor's maintenance
14 of current child support. If the licensing privileges of a person other than the obligor are
15 revoked under this section for failure to comply with a subpoena, the person may petition
16 the district court for reinstatement of the privileges. The court may order the privileges
17 reinstated if the person has complied with or is no longer subject to the subpoena that was
18 the basis for revocation. Upon reinstatement under this subsection, the clerk of superior
19 court shall certify that the obligor is no longer delinquent and provide a copy of the
20 certification to the obligor. Upon request of the obligor, the clerk shall mail a copy of the
21 certification to the appropriate licensing board. Upon reinstatement of the person whose
22 licensing privileges were revoked based on failure to comply with a subpoena, the clerk
23 of superior court shall certify that the person has complied with or is no longer subject to
24 the subpoena. Upon request of the person whose licensing privileges are reinstated, the
25 clerk shall mail a copy of the certification to the appropriate licensing board.

26 (e) ~~The obligor~~ An obligor or other person whose licensing privileges are
27 reinstated under this section may provide a copy of the certification set forth in either
28 subsection (c) or (d) to each licensing agency to which the obligor or other person applies
29 for reinstatement of licensing privileges. Upon request of the obligor, obligor or other
30 person, the clerk shall mail a copy of the certification to the appropriate licensing board.
31 Upon receipt of a copy of the certification, the licensing board shall reinstate the license.

32 (f) Upon receipt of notification by the clerk that ~~the obligor's~~ an obligor's or other
33 person's licensing privileges are revoked, revoked pursuant to this section, the board shall
34 note the revocation on its records and take all necessary steps to implement and enforce
35 the revocation. These steps shall not include the board's independent revocation process
36 pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act,
37 which process is replaced by the court process prescribed by this section. The revocation
38 pertaining to an obligor shall remain in full force and effect until the board receives
39 certification under this section that the obligor is no longer delinquent in child support
40 payments. The revocation pertaining to the person whose licensing privileges were
41 revoked on the basis of failure to comply with a subpoena shall remain in full force and
42 effect until the board receives certification of reinstatement under subsection (d) of this
43 section."

1 Section 5.4. G.S. 93B-13 reads as rewritten:

2 "**§ 93B-13. Revocation when licensing privilege forfeited for nonpayment of child**
3 **support.** ~~support~~ **or for failure to comply with subpoena.**

4 (a) Upon receipt of a court order, pursuant to G.S. 50-13.12, revoking the
5 occupational license of a licensee under its jurisdiction, an occupational licensing board
6 shall note the revocation in its records and follow the normal postrevocation rules and
7 procedures of the board as if the revocation had been ordered by the board. The
8 revocation shall remain in effect until the board receives certification by the clerk of
9 superior court that the licensee is no longer delinquent in child support ~~payments.~~
10 payments, or, as applicable, that the licensee is in compliance with or is no longer subject
11 to the subpoena that was the basis for the revocation.

12 (b) Upon receipt of notification from the Department of Human Resources that a
13 licensee under an occupational licensing board's jurisdiction has forfeited the licensee's
14 occupational license pursuant to G.S. 110-142.1, then the occupational licensing board
15 shall send a notice of intent to revoke or suspend the occupational license of that licensee
16 as provided by G.S. 110-142.1(d). If the license is revoked as provided by the provisions
17 of G.S. 110-142.1, the revocation shall remain in effect until the board receives
18 certification by the designated representative or the child support enforcement agency
19 that the licensee is no longer delinquent in child support ~~payments.~~ payments, or, as
20 applicable, that the licensee is in compliance with or no longer subject to a subpoena that
21 was the basis for the revocation.

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

29 (d) Immediately upon certification by the clerk of superior court or the child
30 support enforcement agency that the licensee whose license was revoked pursuant to
31 subsection (a) or (b) of this section is no longer delinquent in child support payments, the
32 occupational licensing board shall reinstate the license. Immediately upon certification by
33 the clerk of superior court or the child support enforcement agency that the licensee
34 whose license was revoked because of failure to comply with a subpoena is in
35 compliance with or no longer subject to the subpoena, the occupational licensing board
36 shall reinstate the license. Reinstatement of a license pursuant to this section shall be
37 made at no additional cost to the licensee."
38

39 PART 6. INCOME WITHHOLDING.

40 Section 6. G.S. 110-136.8(b) reads as rewritten:

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

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

33 PART 6A. EXPEDITED PROCEDURES FOR INCOME WITHHOLDING.

34 Section 6.1. G.S. 110-136.3(b) reads as rewritten:

35 "(b) When obligor subject to withholding.

- 36 (1) In IV-D cases in which a new or modified child support order is entered
37 on or after October 1, 1989, an obligor is subject to income withholding
38 immediately upon entry of the order. In IV-D cases in which the child
39 support order was entered prior to October 1, 1989, an obligor shall
40 become subject to income withholding on the ~~earliest of~~:
- 41 a. The date on which the obligor fails to make legally obligated
42 child support payments in an amount equal to the support
43 payable for one month; or

- 1 ~~b.~~ ~~The date on which the obligor or obligee requests withholding.~~
2 (2) In non-IV-D cases in which the child support order was entered prior to
3 January 1, 1994, an obligor shall be subject to income withholding on
4 the earliest of:
5 a. The date on which the obligor fails to make legally obligated
6 child support payments in an amount equal to the support
7 payable for one month; or
8 b. The date on which the obligor requests withholding; or
9 c. The date on which the court determines, pursuant to a motion or
10 independent action filed by the obligee under G.S. 110-136.5(a),
11 that the obligor is or has been delinquent in making child support
12 payments or has been erratic in making child support payments.
13 (3) In IV-D child support cases in which an order was issued or modified in
14 this State prior to October 1, 1996, and in which the obligor is not
15 otherwise subject to withholding, the obligor shall become subject to
16 withholding if arrearages occur."

17 Section 6.2. G.S. 110-136.4(a)(2) reads as rewritten:

- 18 "(2) Contents of advance notice. The advance notice to the obligor shall
19 contain, at a minimum, the following information:
20 a. Whether the proposed withholding is based on the obligor's
21 failure to make legally obligated payments in an amount equal to
22 the support payable for one month or on the obligor's request for
23 withholding or on the obligee's request for ~~withholding~~;
24 withholding, or on the obligor's eligibility for withholding under
25 G.S. 110-136.3(b)(3);
26 b. The amount of overdue support, the total amount to be withheld,
27 and when the withholding will occur;
28 c. The name of each child for whose benefit the child support is
29 due, and information sufficient to identify the court order under
30 which the obligor has a duty to support the child;
31 d. The amount and sources of disposable income;
32 e. That the withholding will apply to the obligor's wages or other
33 sources of disposable income from current payors and all
34 subsequent payors once the procedures under this section are
35 invoked;
36 f. An explanation of the obligor's rights and responsibilities
37 pursuant to this section;
38 g. That withholding will be continued until terminated pursuant to
39 G.S. 110-136.10."

41 **PART 7. ESTABLISHMENT OF A LIEN ON REAL AND PERSONAL**
42 **PROPERTY OF PERSON OWING PAST-DUE CHILD SUPPORT.**

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

3 **“ARTICLE 15.**

4 **“LIENS FOR OVERDUE CHILD SUPPORT.**

5 **“§ 44-86. Lien on real and personal property of person owing past-due child**
6 **support; definitions; filing required; discharge.**

7 (a) Definitions. As used in this Article, the terms ‘designated representative’,
8 ‘obligee’, and ‘obligor’ have the meanings given them in G.S. 110-129.

9 (b) Lien Created. There is created a general lien upon the real and personal
10 property of any person who is delinquent in the payment of court-ordered child support.
11 For purposes of this section, an obligor is delinquent when arrears under a court-ordered
12 child support obligation equals three months of payments or three thousand dollars
13 (\$3,000), whichever occurs first. The amount of the lien shall be determined by a
14 verified statement of child support delinquency prepared in accordance with subsection
15 (c) of this section.

16 (c) Contents of Statement; Verification. A verified statement of child support
17 delinquency shall contain the following information:

- 18 (1) The caption and file docket number of the case in which child support
19 was ordered;
20 (2) The date of the order of support;
21 (3) The amount of the child support obligation established by the order; and
22 (4) The amount of the arrearage as of the date of the statement.

23 The statement shall be verified by the designated representative in a IV-D case and by the
24 obligee in a non-IV-D case.

25 (d) Filing and Perfection of Lien. The verified statement shall be filed in the
26 office of the clerk of superior court in the county in which the child support was ordered.
27 At the time of filing the verified statement, the designated representative in a IV-D case
28 and the obligee in a non-IV-D case shall serve notice on the obligor that the statement has
29 been filed. The notice shall be served and the return of service filed with the clerk of
30 court in accordance with Rule 4 of the North Carolina Rules of Civil Procedure. The
31 notice shall specify the manners in which the lien may be discharged. Upon perfection of
32 the lien, as set forth herein, the clerk shall docket and index the statement on the
33 judgment docket. The clerk shall issue a transcript of the docketed statement to the clerk
34 of any other county as requested by the designated representative in a IV-D case or the
35 obligee in a non-IV-D case. The clerk receiving the transcript shall docket and index the
36 transcript. A lien on personal property attaches when the property is seized by the
37 sheriff. A lien on real property attaches when the perfected lien is docketed and indexed
38 on the judgment docket.

- 39 (1) IV-D Cases. In IV-D cases, the filing of a verified statement with the
40 clerk of court by the designated representative shall perfect the lien.
41 The obligor may contest the lien by motion in the cause.

- 42 (2) Non-IV-D Cases. In a non-IV-D case, the notice to the obligor of the
43 filing of the verified statement shall state that the obligor has 30 days

1 from the date of service to request a hearing before a district court judge
2 to contest the validity of the lien. If the obligor fails to contest the lien
3 after 30 days from the time of service, the obligee may make application
4 to the clerk, and the clerk shall record and index the lien on the
5 judgment docket. If the obligee files a petition contesting the validity of
6 the lien, a hearing shall be held before a district court judge to determine
7 whether the lien is valid and proper. In contested cases, the clerk of
8 court shall record and index the lien on the judgment docket only by
9 order of the judge. The docketing of a verified statement in a non-IV-D
10 case shall perfect the lien when duly recorded and indexed.

11 (e) Lien Superior to Subsequent Liens. Except as otherwise provided by law, a
12 lien established in accordance with this section shall take priority over all other liens
13 subsequently acquired and shall continue from the date of filing until discharged in
14 accordance with G.S. 44-87.

15 (f) Execution on the Lien. A designated representative in a IV-D case, after 30
16 days from the docketing of the perfected lien, or an obligee in a non-IV-D case, after
17 docketing the perfected lien, may enforce the lien in the same manner as for a civil
18 judgment.

19 (g) Liens Arising Out-of-State. This State shall accord full faith and credit to child
20 support liens arising in another state when the child support enforcement agency, party,
21 or other entity seeking to enforce the lien complies with the requirements relating to
22 recording and serving child support liens as set forth in this Article and with the
23 requirements relating to the enforcement of foreign judgments as set forth in Chapter 1C
24 of the General Statutes.

25 **"§ 44-87. Discharge of lien; penalty for failure to discharge.**

26 (a) Liens created by this Article may be discharged as follows:

27 (1) By the designated representative in IV-D cases, or by the obligee in
28 non-IV-D cases, filing with the clerk of superior court an
29 acknowledgment that the obligor has satisfied the full amount of the
30 lien;

31 (2) By depositing with the clerk of superior court money equal to the
32 amount of the claim and filing a petition in the cause requesting a
33 district court judge to determine the validity of the lien. The money
34 shall not be disbursed except by order of a district court judge following
35 the hearing on the merits; or

36 (3) By an entry in the judgment docket book that the action on the part of
37 the lien claimant to enforce the lien has been dismissed, or a judgment
38 has been rendered against the claimant in such action.

39 (b) An obligee in a non-IV-D case who has received payment in full for a
40 delinquent child support obligation which is the basis for the lien shall, within 30 days of
41 receipt of payment, file with the clerk of court an acknowledgment that the obligor has
42 satisfied the full amount of the lien and that the lien is discharged. If the lienholder fails
43 to timely file the acknowledgment, the obligor may, after serving notice on the obligee,

1 file an action in district court to discharge the lien. If in an action filed by the obligor to
2 discharge the lien, the court discharges the lien and finds that the obligee failed to timely
3 file an acknowledgment discharging the lien, then the court may allow the prevailing
4 party to recover reasonable attorneys' fees to be taxed as court costs against the obligee."

5 Section 7.1. G.S. 50-13.4(f)(8) reads as rewritten:

6 "(8) Except as provided in Article 15 of Chapter 44 of the General Statutes, a
7 A-judgment for child support shall not be a lien against real property
8 unless the judgment expressly so provides, sets out the amount of the
9 lien in a sum certain, and adequately describes the real property
10 affected; but past due periodic payments may by motion in the cause or
11 by a separate action be reduced to judgment which shall be a lien as
12 other judgments."

13
14 **PART 8. DEPARTMENT OF HUMAN RESOURCES TO DEVELOP**
15 **AUTOMATED DATA PROCESSING AND INFORMATION SYSTEM, AND**
16 **CENTRALIZED COLLECTION AND DISBURSEMENT SYSTEM FOR THE**
17 **ENHANCEMENT OF CHILD SUPPORT COLLECTION AND**
18 **DISBURSEMENT.**

19 Section 8. (a) Automated System. The Department of Human Resources shall
20 develop a single statewide automated data processing and information retrieval system to
21 enhance enforcement of child support obligations. The system shall have the capability
22 to perform the following tasks:

- 23 (1) Program management, including the controlling and accounting for use
24 of federal, State, and local funds in carrying out the State child support
25 enforcement program, and maintaining the data necessary to meet
26 federal reporting requirements on a timely basis;
- 27 (2) Maintenance of requisite data on State performance with respect to
28 paternity establishment and child support enforcement, including
29 systems controls to ensure completeness and reliability of and ready
30 access to this data;
- 31 (3) Establishment of safeguards on the integrity, accuracy, and
32 completeness of, access to, and use of data in the system. Safeguards
33 shall include policies restricting, controlling, and monitoring access to
34 the system and database;
- 35 (4) Maintenance of the State's automated case tracking system (ACTS) in
36 accordance with federal requirements;
- 37 (5) Information retrieval, comparisons, and disclosure, including the
38 sharing and comparison of information from other databases and
39 information comparison services. Comparison services shall include
40 information retrieval and sharing with such databases as the Federal
41 Case Registry of Child Support Orders, the Federal Parent Locator
42 Service, temporary family assistance and Medicaid agencies, and other

1 agencies of this State and agencies of other states and interstate
2 information networks;

3 (6) Collection and distribution of support payments through the State
4 Collection Disbursement Unit as required by federal law; and

5 (7) Implement expedited administrative procedures for the establishment of
6 paternity and the enforcement of child support orders.

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

12 (b) Progress Reports on Development. The Department shall provide periodic
13 written progress reports to the Cochairs of the House and Senate Appropriations
14 subcommittees on Human Resources, and to the Fiscal Research Division, not later than
15 October 1, 1997, March 1, 1998, and October 1, 1998. Information contained in the
16 report shall include, but not be limited to:

17 (1) Federal requirements for the automated system and collection and
18 disbursements units;

19 (2) Status of development of the automated system and collection and
20 disbursement unit as of the date of the progress report, and whether the
21 development plan is on schedule, behind schedule, or ahead of schedule,
22 and the reasons therefor;

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

25 (4) Projected costs to develop and operate the collection and disbursement
26 unit, including recommendations on whether the Department should
27 operate the unit or whether it should be operated by an outside
28 contractor;

29 (5) The amount of State funds that must be appropriated for the 1998-99
30 fiscal year to develop and implement the collection and disbursement
31 unit; and

32 (6) Other information requested by the Cochairs or that the Department
33 considers relevant and useful.

34 Section 8.1. Effective October 1, 1999, G.S. 110-139 is amended by adding
35 the following new subsection to read:

36 "(f) There is established the State Child Support Collection and Disbursement Unit.
37 The duties of the Unit shall be the collection and disbursement of payments under support
38 orders for:

39 (1) All IV-D cases, and

40 (2) All non-IV-D cases in which the support order was initially issued in
41 this State on or after January 1, 1994, and in which the income of the
42 noncustodial parent is subject to income withholding.

1 The Department may administer and operate the Unit or may contract with another
2 State or private entity for the administration and operation of the Unit."

3 Section 8.2. G.S. 110-139.1(a) reads as rewritten:

4 "(a) Except as otherwise provided in this section, the ~~The~~ parent locator service of
5 the Department of Human Resources shall transmit, upon payment of the fee prescribed
6 by federal law, requests for information as to the whereabouts of any ~~absent~~ parent or
7 child to the federal parental locator service when such requests are made by judges,
8 clerks of superior court, district attorneys, or United States attorneys, and when the
9 information is to be used to locate the parent or child for the purpose of enforcing State or
10 federal law with respect to ~~to~~ :

11 (1) ~~the~~ The unlawful taking or restraint of a ~~child~~ child;

12 (2) ~~or making~~ Making or enforcing a child custody ~~determination.~~
13 determination, including visitation orders;

14 (3) Establishing paternity; or

15 (4) Establishing, setting or modifying the amount of, or enforcing child
16 support obligations.

17 The Department shall not disclose any information from or through the parent locator
18 service if there is reasonable evidence of domestic violence or child abuse and the
19 disclosure of the information could be harmful to the custodial parent or the child of the
20 custodial parent."

21 22 **PART 9. FINANCIAL INSTITUTIONS/DATA MATCH SYSTEM.**

23 Section 9. Chapter 110 of the General Statutes is amended by adding the
24 following new section to read:

25 **"§ 110-139.2. Data match system; agreements with financial institutions.**

26 (a) The Department of Human Resources and financial institutions doing business
27 in this State shall enter into mutual agreements for the purpose of facilitating the
28 enforcement of child support obligations. The agreements shall provide for the
29 development and operation of a data match system that will enable the financial
30 institutions to provide to the Department on a quarterly basis the information required
31 under G.S. 110-139(d). Financial institutions shall provide the information upon
32 certification by the Department that the person about whom the information is requested
33 is subject to a child support order and the information is necessary to enforce the order.
34 The Department may pay a reasonable fee to the financial institution for conducting the
35 data match required under this section provided that the fee shall not exceed the actual
36 costs incurred by the financial institution to conduct the match.

37 (b) A financial institution shall not be liable under any State law, including but not
38 limited to Chapter 53B of the General Statutes, for disclosure of information to the State
39 child support agency under this section, and for any other action taken by the financial
40 institution in good faith to comply with this section or with G.S. 110-139.

41 (c) As used in this subdivision, a financial institution includes federal, State,
42 commercial, or savings banks, savings and loan associations and cooperative banks,
43 federal or State chartered credit unions, benefit associations, insurance companies, safe

1 deposit companies, money market mutual funds, and investment companies doing
2 business in this State or incorporated under the laws of this State."

3 Section 9.1. G.S. 110-139(d) reads as rewritten:

4 "(d) Notwithstanding any other provision of law making this information
5 confidential, including Chapter 53B of the General Statutes, any utility ~~company~~
6 company, cable television company, or financial institution, including federal, State,
7 commercial, or savings banks, savings and loan associations and cooperative banks,
8 federal or State chartered credit unions, benefit associations, insurance companies, safe
9 deposit companies, money market mutual funds, and investment companies doing
10 business in this State or incorporated under the laws of this State shall provide the
11 Department of Human Resources with the following information upon certification by
12 the Department that the information is needed to locate a parent for the purpose of
13 collecting child support or to establish or enforce an order for child support: full name,
14 social security number, address, telephone number, account numbers, and other
15 identifying data for any person who maintains an account at the utility ~~company~~
16 company, cable television company, or financial institution. A utility ~~company-company,~~
17 cable television company, or financial institution that discloses information pursuant to
18 this subsection in good faith reliance upon certification by the Department is not liable
19 for damages resulting from the disclosure."
20

21 **PART 10. AMEND UNIFORM INTERSTATE FAMILY SUPPORT ACT**
22 **(UIFSA).**

23 Section 10. G.S. 52C-1-101 reads as rewritten:

24 "**§ 52C-1-101. Definitions.**

25 As used in this Article, unless the context clearly requires otherwise, the term:

- 26 (1) 'Child' means an individual, whether over or under the age of majority,
27 who is or is alleged to be owed a duty of support by the individual's
28 parent or who is or is alleged to be the beneficiary of a support order
29 directed to the parent.
- 30 (2) 'Child support order' means a support order for a child, including a child
31 who has attained the age of majority under the law of the issuing state.
- 32 (3) 'Duty of support' means an obligation imposed or imposable by law to
33 provide support for a child, spouse, or former spouse, including an
34 unsatisfied obligation to provide support.
- 35 (4) 'Home state' means the state in which a child lived with a parent or a
36 person acting as parent for at least six consecutive months immediately
37 preceding the time of filing of a petition or comparable pleading for
38 support and, if a child is less than six-months old, the state in which the
39 child lived from birth with any of them. A period of temporary absence
40 of any of them is counted as part of the six-month or other period.
- 41 (5) 'Income' includes earnings or other periodic entitlements to money from
42 any source and any other property subject to withholding for support
43 under the law of this State.

- 1 (6) 'Income-withholding order' means an order or other legal process
2 directed to a payer of income to withhold support from the income of
3 the obligor.
- 4 (7) 'Initiating state' means a state ~~in~~ from which a proceeding is forwarded
5 or in which a proceeding is filed for forwarding to a responding state
6 under this Act or a law or procedure substantially similar to this Act, the
7 Uniform Reciprocal Enforcement of Support Act, or the Revised
8 Uniform Reciprocal Enforcement of Support Act ~~is filed for forwarding~~
9 ~~to a responding state.~~ Act.
- 10 (8) 'Initiating tribunal' means the authorized tribunal in an initiating state.
- 11 (9) 'Issuing state' means the state in which a tribunal issues a support order
12 or renders a judgment determining parentage.
- 13 (10) 'Issuing tribunal' means the tribunal that issues a support order or
14 renders a judgment determining parentage.
- 15 (11) 'Law' includes decisional and statutory law and rules and regulations
16 having the force of law.
- 17 (12) 'Obligee' means:
18 a. An individual to whom a duty of support is or is alleged to be
19 owed or in whose favor a support order has been issued or a
20 judgment determining parentage has been rendered;
21 b. A state or political subdivision to which the rights under a duty
22 of support or support order have been assigned or which has
23 independent claims based on financial assistance provided to an
24 individual obligee; or
25 c. An individual seeking a judgment determining parentage of the
26 individual's child.
- 27 (13) 'Obligor' means an individual, or the estate of a decedent:
28 a. Who owes or is alleged to owe a duty of support;
29 b. Who is alleged but has not been adjudicated to be a parent of a
30 child; or
31 c. Who is liable under a support order.
- 32 (14) 'Register' means to file a support order or judgment determining
33 paternity in the appropriate location for the recording or filing of foreign
34 judgments generally or foreign support orders specifically.
- 35 (15) 'Registering tribunal' means a tribunal in which a support order is
36 registered.
- 37 (16) 'Responding state' means a state ~~to~~ in which a proceeding is filed or to
38 which a proceeding is forwarded for filing from an initiating state under
39 this Act or a law or procedure substantially similar to this Act, the
40 Uniform Reciprocal Enforcement of Support Act, or the Revised
41 Uniform Reciprocal Enforcement of Support Act.
- 42 (17) 'Responding tribunal' means the authorized tribunal in a responding
43 state.

- 1 (18) 'Spousal-support order' means a support order for a spouse or former
2 spouse of the obligor.
- 3 (19) 'State' means a state of the United States, the District of Columbia, ~~the~~
4 ~~Commonwealth of Puerto Rico, the United States Virgin Islands,~~ or any
5 territory or insular possession subject to the jurisdiction of the United
6 States. The term 'state' includes:
- 7 a. An Indian tribe; and ~~includes~~
- 8 b. A foreign jurisdiction that has enacted a law or established
9 procedures for issuance and enforcement of support orders which
10 are substantially similar to the procedures under this Chapter.
11 Act, the Uniform Reciprocal Enforcement of Support Act, or the
12 Revised Uniform Reciprocal Enforcement of Support Act.
- 13 (20) 'Support enforcement agency' means a public official or agency
14 authorized to seek:
- 15 a. Enforcement of support orders or duties of support-support;
- 16 b. ~~to seek establishment~~ Establishment or modification of child
17 support, support;
- 18 c. ~~to seek determination~~ Determination of paternity, parentage; or
- 19 d. ~~to~~ To locate obligors or their assets.
- 20 (21) 'Support order' means a judgment, decree, or order, whether temporary,
21 final, or subject to modification, for the benefit of a child, a spouse, or a
22 former spouse, which provides for monetary support, health care,
23 arrears, or reimbursement, and may include related costs and fees,
24 interest, income withholding, attorneys' fees, and other relief.
- 25 (22) 'Tribunal' means a court, administrative agency, or quasi-judicial entity
26 authorized to establish, enforce, or modify support orders or to
27 determine paternity, except that, for matters heard in this State, tribunal
28 means the General Court of Justice, District Court Division."

29 Section 10.1. G.S. 52C-2-203 reads as rewritten:

30 "**§ 52C-2-203. Initiating and responding tribunal of ~~this State.~~ state.**

31 Under this Chapter, a tribunal of this State may serve as an initiating tribunal to
32 forward proceedings to another state and as a responding tribunal for proceedings
33 initiated in another state."

34 Section 10.2. G.S. 52C-2-205 reads as rewritten:

35 "**§ 52C-2-205. Continuing, exclusive jurisdiction.**

36 (a) A tribunal of this State issuing a support order consistent with the law of this
37 State has continuing, exclusive jurisdiction over a child support order:

- 38 (1) As long as this State remains the residence of the obligor, the individual
39 obligee, or the child for whose benefit the support order is issued; or
- 40 (2) Until ~~each individual party has all of the parties who are individuals~~
41 have filed written consent consents with the tribunal of this State for a
42 tribunal of another state to modify the order and assume continuing,
43 exclusive jurisdiction.

1 (b) A tribunal of this State issuing a child support order consistent with the law of
2 this State may not exercise its continuing jurisdiction to modify the order if the order has
3 been modified by a tribunal of another state pursuant to a law substantially similar to this
4 Chapter.

5 (c) If a child support order of this State is modified by a tribunal of another state
6 pursuant to a law substantially similar to this Chapter, a tribunal of this State loses its
7 continuing, exclusive jurisdiction with regard to prospective enforcement of the order
8 issued in this State, and may only:

- 9 (1) Enforce the order that was modified as to amounts accruing before the
10 modification;
11 (2) Enforce nonmodifiable aspects of that order; and
12 (3) Provide other appropriate relief for violations of that order which
13 occurred before the effective date of the modification.

14 (d) A tribunal of this State shall recognize the continuing, exclusive jurisdiction of
15 a tribunal of another state which has issued a child support order pursuant to a law
16 substantially similar to this Chapter.

17 (e) A temporary support order issued ex parte or pending resolution of a
18 jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing
19 tribunal.

20 (f) A tribunal of this State issuing a support order consistent with the law of this
21 State has continuing, exclusive jurisdiction over a spousal support order throughout the
22 existence of the support obligation. A tribunal of this State may not modify a spousal
23 support order issued by a tribunal of another state having continuing, exclusive
24 jurisdiction over that order under the law of that state."

25 Section 10.3. (a) The title of Part 3 of Article 2 of Chapter 52C of the General
26 Statutes reads as rewritten:

27 "~~Part 3. Reconciliation With Orders of Other States. of Multiple Orders.~~"

28 (b) G.S. 52C-2-207 reads as rewritten:

29 "**§ 52C-2-207. Recognition of controlling child support orders. order.**

30 (a) ~~If a proceeding is brought under this Chapter, and one or more child support~~
31 ~~orders have been issued in this or another state with regard to an obligor and a child, a~~
32 ~~tribunal of this State shall apply the following rules in determining which order to~~
33 ~~recognize for purposes of continuing, exclusive jurisdiction:~~

34 (1) ~~If only one tribunal has issued a child support order, the order of that~~
35 ~~tribunal must be recognized.~~

36 (2) ~~If two or more tribunals have issued child support orders for the same~~
37 ~~obligor and child, and only one of the tribunals would have continuing,~~
38 ~~exclusive jurisdiction under this Chapter, the order of that tribunal must~~
39 ~~be recognized.~~

40 (3) ~~If two or more tribunals have issued child support orders for the same~~
41 ~~obligor and child, and more than one of the tribunals would have~~
42 ~~continuing, exclusive jurisdiction under this Chapter, an order issued by~~
43 ~~a tribunal in the current home state of the child must be recognized, but~~

1 if an order has not been issued in the current home state of the child, the
2 order most recently issued must be recognized.

3 (4) ~~If two or more tribunals have issued child support orders for the same
4 obligor and child, and none of the tribunals would have continuing,
5 exclusive jurisdiction under this Chapter, the tribunal of this State may
6 issue a child support order, which must be recognized.~~

7 (b) ~~The tribunal that has issued an order recognized under subsection (a) of this
8 section is the tribunal having continuing, exclusive jurisdiction.~~

9 (a) If a proceeding is brought under this Chapter and only one tribunal has issued a
10 child support order, the order of that tribunal controls and must be so recognized.

11 (b) If a proceeding is brought under this Chapter, and two or more child support
12 orders have been issued by tribunals of this State or another state with regard to the same
13 obligor and child, a tribunal of this State shall apply the following rules in determining
14 which order to recognize for purposes of continuing, exclusive jurisdiction:

15 (1) If only one of the tribunals would have continuing, exclusive
16 jurisdiction under this Chapter, the order of that tribunal controls and
17 must be so recognized.

18 (2) If more than one of the tribunals would have continuing, exclusive
19 jurisdiction under this Chapter, an order issued by a tribunal in the
20 current home state of the child controls and must be so recognized, but
21 if an order has not been issued in the current home state of the child, the
22 order most recently issued controls and must be so recognized.

23 (3) If none of the tribunals would have continuing, exclusive jurisdiction
24 under this Chapter, the tribunal of this State having jurisdiction over the
25 parties shall issue a child support order, which controls and must be so
26 recognized.

27 (c) If two or more child support orders have been issued for the same obligor and
28 child and if the obligor or the individual obligee resides in this State, a party may request
29 a tribunal of this State to determine which order controls and must be so recognized
30 under subsection (b) of this section. The request must be accompanied by a certified
31 copy of every support order in effect. The requesting party shall give notice of the
32 request to each party whose rights may be affected by a certified copy of every support
33 order in the effect. The requesting party shall give notice of the request to each party
34 whose rights may be affected by the determination.

35 (d) The tribunal that issued the controlling order under subsection (a), (b), or (c) of
36 this section is the tribunal that has continuing, exclusive jurisdiction under G.S. 52C-2-
37 205.

38 (e) A tribunal of this State which determines by order the identity of the
39 controlling order under subdivision (b)(1) or (2) of this section or which issues a new
40 controlling order under subdivision (b)(3) of this section shall state in that order the basis
41 upon which the tribunal made its determination.

42 (f) Within 30 days after issuance of an order determining the identity of the
43 controlling order, the party obtaining the order shall file a certified copy of it with each

1 tribunal that issued or registered an earlier order of child support. A party who obtains
2 the order and fails to file a certified copy is subject to appropriate sanctions by a tribunal
3 in which the issue of failure to file arises. The failure to file does not affect the validity
4 or enforceability of the controlling order."

5 Section 10.4. G.S. 52C-3-304 reads as rewritten:

6 **"§ 52C-3-304. Duties of initiating tribunal.**

7 (a) Upon the filing of a petition authorized by this Chapter, an initiating tribunal of
8 this State shall forward three copies of the petition and its accompanying documents:

9 (1) To the responding tribunal or appropriate support enforcement agency
10 in the responding state; or

11 (2) If the identity of the responding tribunal is unknown, to the state
12 information agency of the responding state with a request that they be
13 forwarded to the appropriate tribunal and that receipt be acknowledged.

14 (b) If a responding state has not enacted this act or a law or procedure substantially
15 similar to this act, a tribunal of this State may issue a certificate or other document and
16 make findings required by the law of the responding state. If the responding State is a
17 foreign jurisdiction, the tribunal may specify the amount of support sought and provide
18 other documents necessary to satisfy the requirements of the responding state."

19 Section 10.5. G.S. 52C-3-305 reads as rewritten:

20 **"§ 52C-3-305. Duties and powers of responding tribunal.**

21 (a) When a responding tribunal of this State receives a petition or comparable
22 pleading from an initiating tribunal or directly pursuant to G.S. 52C-3-301(c) it shall
23 cause the petition or pleading to be filed and notify the petitioner ~~by first class mail~~
24 where and when it was filed.

25 (b) A responding tribunal of this State, to the extent otherwise authorized by law,
26 may do one or more of the following:

27 (1) Issue or enforce a support order, modify a child support order, or render
28 a judgment to determine parentage;

29 (2) Order an obligor to comply with a support order, specifying the amount
30 and the manner of compliance;

31 (3) Order income withholding;

32 (4) Determine the amount of any arrears, and specify a method of payment;

33 (5) Enforce orders by civil or criminal contempt, or both;

34 (6) Set aside property for satisfaction of the support order;

35 (7) Place liens and order execution on the obligor's property;

36 (8) Order an obligor to keep the tribunal informed of the obligor's current
37 residential address, telephone number, employer, address of
38 employment, and telephone number at the place of employment;

39 (9) Issue an order for arrest for an obligor who has failed after proper notice
40 to appear at a hearing ordered by the tribunal and enter the order for
41 arrest in any local and State computer systems for criminal warrants;

42 (10) Order the obligor to seek appropriate employment by specified methods;

43 (11) Award reasonable attorneys' fees and other fees and costs; and

1 (12) Grant any other available remedy.

2 (c) A responding tribunal of this State shall include in a support order issued under
3 this Chapter, or in the documents accompanying the order, the calculations on which the
4 support order is based.

5 (d) A responding tribunal of this State may not condition the payment of a support
6 order issued under this Chapter upon compliance by a party with provisions for visitation.

7 (e) If a responding tribunal of this State issues an order under this Chapter, the
8 tribunal shall send a copy of the order ~~by first-class mail~~ to the petitioner and the
9 respondent and to the initiating tribunal, if any."

10 Section 10.6. G.S. 52C-3-306 reads as rewritten:

11 "**§ 52C-3-306. Inappropriate tribunal.**

12 If a petition or comparable pleading is received by an inappropriate tribunal of this
13 State, it shall forward the pleading and accompanying documents to an appropriate
14 tribunal in this State or another state and notify the petitioner ~~by first-class mail~~ where
15 and when the pleading was sent."

16 Section 10.7. G.S. 52C-3-307 reads as rewritten:

17 "**§ 52C-3-307. Duties of support enforcement agency.**

18 (a) A support enforcement agency of this State, upon request, shall provide
19 services to a petitioner in a proceeding under this Chapter.

20 (b) A support enforcement agency that is providing services to the petitioner as
21 appropriate shall:

22 (1) Take all steps necessary to enable an appropriate tribunal in this State or
23 another state to obtain jurisdiction over the respondent;

24 (2) Request an appropriate tribunal to set a date, time, and place for a
25 hearing;

26 (3) Make a reasonable effort to obtain all relevant information, including
27 information as to income and property of the parties;

28 (4) Within two days, exclusive of Saturdays, Sundays, and legal holidays,
29 after receipt of a written notice from an initiating, responding, or
30 registering tribunal, send a copy of the notice ~~by first-class mail~~ to the
31 petitioner;

32 (5) Within two days, exclusive of Saturdays, Sundays, and legal holidays,
33 after receipt of a written communication from the respondent or the
34 respondent's attorney, send a copy of the communication ~~by first-class~~
35 ~~mail~~ to the petitioner; and

36 (6) Notify the petitioner if jurisdiction over the respondent cannot be
37 obtained.

38 (c) This Chapter does not create or negate a relationship of attorney and client or
39 other fiduciary relationship between a support enforcement agency or the attorney for the
40 agency and the individual being assisted by the agency."

41 Section 10.8. Article 5 of Chapter 52C of the General Statutes reads as
42 rewritten:

43 "**ARTICLE 5.**

1 ~~Direct~~ Enforcement of Order of Another State Without Registration.

2 **"§ 52C-5-501. ~~Recognition~~ Employer's receipt of income-withholding order of**
3 **another state.**

4 (a) An income-withholding order issued in another state may be sent ~~by first-class~~
5 ~~mail~~ to the person or entity defined or identified as the obligor's employer under the
6 income-withholding provisions of Chapter 50 or Chapter 110 of the General Statutes, as
7 applicable, without first filing a petition or comparable pleading or registering the order
8 with a tribunal of this State. Upon receipt of the order, the employer shall:

9 (1) Treat an income-withholding order issued in another state which
10 appears regular on its face as if it had been issued by a tribunal of this
11 State;

12 (2) Immediately provide a copy of the order to the obligor; and

13 (3) Distribute the funds as directed in the withholding order.

14 (b) ~~An obligor may contest the validity or enforcement of an income withholding~~
15 ~~order issued in another state in the same manner as if the order had been issued by a~~
16 ~~tribunal of this State. G.S. 52C-6-604 applies to the contest. The obligor shall give notice~~
17 ~~of the contest to any support enforcement agency providing services to the obligee and to:~~

18 (1) ~~The person or agency designated to receive payments in the income-~~
19 ~~withholding order; or~~

20 (2) ~~If no person or agency is designated, the obligee.~~

21 **"§ 52C-5-502. ~~Administrative enforcement of orders.~~**

22 (a) ~~A party seeking to enforce a support order or an income withholding order, or~~
23 ~~both, issued by a tribunal of another state may send the documents required for~~
24 ~~registering the order to a support enforcement agency of this State.~~

25 (b) ~~Upon receipt of the documents, the support enforcement agency, without~~
26 ~~initially seeking to register the order, shall consider and, if appropriate, use any~~
27 ~~administrative procedure authorized by the law of this State to enforce a support order or~~
28 ~~an income withholding order, or both. If the obligor does not contest administrative~~
29 ~~enforcement, the order need not be registered. If the obligor contests the validity or~~
30 ~~administrative enforcement of the order, the support enforcement agency shall register~~
31 ~~the order pursuant to this Chapter.~~

32 **Employer's compliance with income-withholding order of another state.**

33 (a) Upon receipt of an income-withholding order, the obligor's employer shall
34 immediately provide a copy of the order to the obligor.

35 (b) The employer shall treat an income-withholding order issued in another state
36 which appears regular on its face as if it had been issued by a tribunal of this State.

37 (c) Except as otherwise provided in subsection (d) of this section and G.S. 52C-5-
38 503, the employer shall withhold and distribute the funds as directed in the income-
39 withholding order by complying with terms of the order which specify:

40 (1) The duration and amount of periodic payments of current child support,
41 stated as a sum certain;

42 (2) The person or agency designated to receive payments and the address to
43 which the payments are to be forwarded;

- 1 (3) Medical support, whether in the form of periodic cash payment, stated
2 as a sum certain, or ordering the obligor to provide health insurance
3 coverage for the child under a policy available through the obligor's
4 employment;
- 5 (4) The amount of periodic payments of fees and costs for a support
6 enforcement agency, the issuing tribunal, and the obligee's attorney,
7 stated as sums certain; and
- 8 (5) The amount of periodic payments of arrearages and interest on
9 arrearages, stated as sums certain.
- 10 (d) An employer shall comply with the law of the state of the obligor's principal
11 place of employment for withholding from income with respect to:
- 12 (1) The employer's fee for processing an income-withholding order;
13 (2) The maximum amount permitted to be withheld from the obligor's
14 income; and
- 15 (3) The times within which the employer must implement the income-
16 withholding order and forward the child support payment.

17 **"§ 52C-5-503. Compliance with multiple income-withholding orders.**

18 If an obligor's employer receives multiple income-withholding orders with respect to
19 the earnings of the same obligor, the employer satisfies the terms of the multiple orders if
20 the employer complies with the law of the state of the obligor's principal place of
21 employment to establish the priorities for withholding and allocating income withheld for
22 multiple child support obligees.

23 **"§ 52C-5-504. Immunity from civil liability.**

24 An employer who complies with an income-withholding order issued in another state
25 in accordance with this Article is not subject to civil liability to an individual or agency
26 with regard to the employer's withholding of child support from the obligor's income.

27 **"§ 52C-5-505. Penalties for noncompliance.**

28 An employer who willfully fails to comply with an income-withholding order issued
29 by another state and received for enforcement is subject to the same penalties that may be
30 imposed for noncompliance with an order issued by a tribunal of this State.

31 **"§ 52C-5-506. Contest by obligor.**

32 (a) An obligor may contest the validity or enforcement of an income-withholding
33 order issued in another state and received directly by an employer in this State in the
34 same manner as if the order had been issued by a tribunal of this State. G.S. 52C-6-604
35 applies to the contest.

36 (b) The obligor shall give notice of the contest to:

- 37 (1) A support enforcement agency providing services to the obligee;
38 (2) Each employer that has directly received an income-withholding order;
39 and
40 (3) The person or agency designated to receive payments in the income-
41 withholding order if no person or agency is designated, to the obligee.

42 **"§ 52C-5-507. Administrative enforcement of orders.**

1 (a) A party seeking to enforce a support order or an income-withholding order, or
2 both, issued by a tribunal of another state may send the documents required for
3 registering the order to a support enforcement agency of this State.

4 (b) Upon receipt of the documents, the support enforcement agency, without
5 initially seeking to register the order, shall consider and, if appropriate, use any
6 administrative procedure authorized by the law of this State to enforce a support order or
7 an income-withholding order, or both. If the obligor does not contest administrative
8 enforcement, the order need not be registered. If the obligor contests the validity or
9 administrative enforcement of the order, the support enforcement agency shall register
10 the order pursuant to this Chapter."

11 Section 10.9. G.S. 52C-6-601 reads as rewritten:

12 **"§ 52C-6-601. Registration ~~or~~ ~~of~~ of order for enforcement.**

13 A support order or an income-withholding order issued by a tribunal of another state
14 may be registered in this State for enforcement."

15 Section 10.10. G.S. 52C-6-605 reads as rewritten:

16 **"§ 52C-6-605. Notice of registration of order.**

17 (a) When a support order or income-withholding order issued in another state is
18 registered, the registering tribunal shall notify the nonregistering party. ~~Notice must be~~
19 ~~given by first class, certified, or registered mail or by any means of personal service~~
20 ~~authorized by the law of this State.~~ The notice must be accompanied by a copy of the
21 registered order and the documents and relevant information accompanying the order.

22 (b) The notice must inform the nonregistering party:

23 (1) That a registered order is enforceable as of the date of registration in the
24 same manner as an order issued by a tribunal of this State;

25 (2) That a hearing to contest the validity or enforcement of the registered
26 order must be requested within 20 days after ~~the date of mailing or~~
27 ~~personal service of the notice;~~

28 (3) That failure to contest the validity or enforcement of the registered order
29 in a timely manner will result in confirmation of the order and
30 enforcement of the order and the alleged arrears and precludes further
31 contest of that order with respect to any matter that could have been
32 asserted; and

33 (4) Of the amount of any alleged arrears.

34 (c) Upon registration of an income-withholding order for enforcement, the
35 registering tribunal shall notify the obligor's employer pursuant to the income-
36 withholding provisions of Chapter 50 or Chapter 110 of the General Statutes, as
37 applicable."

38 Section 10.11. G.S. 52C-6-606 reads as rewritten:

39 **"§ 52C-6-606. Procedure to contest validity or enforcement of registered order.**

40 (a) A nonregistering party seeking to contest the validity or enforcement of a
41 registered order in this State shall request a hearing within 20 days after ~~the date of~~
42 ~~mailing or personal service of notice~~ of the registration. The nonregistering party may
43 seek to vacate the registration, to assert any defense to an allegation of noncompliance

1 with the registered order, or to contest the remedies being sought or the amount of any
2 alleged arrears pursuant to G.S. 52C-6-607.

3 (b) If the nonregistering party fails to contest the validity or enforcement of the
4 registered order in a timely manner, the order is confirmed by operation of law.

5 (c) If a nonregistering party requests a hearing to contest the validity or
6 enforcement of the registered order, the registering tribunal shall schedule the matter for
7 hearing and give notice to the parties ~~by first-class mail~~ of the date, time, and place of the
8 hearing."

9 Section 10.12. G.S. 52C-6-611 reads as rewritten:

10 **"§ 52C-6-611. Modification of child support order of another state.**

11 (a) After a child support order issued in another state has been registered in this
12 State, the responding tribunal of this State may modify that order only ~~if~~, if G.S. 52C-6-
13 613 does not apply and after notice and ~~hearing~~, hearing it finds that:

14 (1) The following requirements are met:

- 15 a. The child, the individual obligee, and the obligor do not reside in
16 the issuing state;
17 b. A petitioner who is a nonresident of this State seeks
18 modification; and
19 c. The respondent is subject to the personal jurisdiction of the
20 tribunal of this State; or

21 (2) ~~An individual party or the child~~ The child, or a party who is an
22 individual, is subject to the personal jurisdiction of the tribunal of this
23 State and all of the ~~individual~~ parties who are individuals have filed a
24 written consent in the issuing tribunal ~~providing that~~ for a tribunal of
25 this State ~~may to~~ modify the support order and assume continuing,
26 exclusive jurisdiction over the order. However, if the issuing state is a
27 foreign jurisdiction that has not enacted a law or established procedures
28 substantially similar to the procedures under this act, the consent
29 otherwise required of an individual residing in this State is not required
30 for the tribunal to assume jurisdiction to modify the child support order.

31 (b) Modification of a registered child support order is subject to the same
32 requirements, procedures, and defenses that apply to the modification of an order issued
33 by a tribunal of this State, and the order may be enforced and satisfied in the same
34 manner.

35 (c) A tribunal of this State may not modify any aspect of a child support order that
36 may not be modified under the law of the issuing state. If two or more tribunals have
37 issued child support orders for the same obligor and child, the order that controls and
38 must be so recognized under G.S. 52C-2-207 establishes the aspects of the support order
39 which are nonmodifiable.

40 (d) On issuance of an order modifying a child support order issued in another state,
41 a tribunal of this State becomes the tribunal of continuing, exclusive jurisdiction.

42 (e) ~~Within 30 days after issuance of a modified child support order, the party~~
43 ~~obtaining the modification shall file a certified copy of the order with the issuing tribunal~~

1 ~~which had continuing, exclusive jurisdiction over the earlier order, and in each tribunal in~~
2 ~~which the party knows that the earlier order has been registered."~~

3 Section 10.13. Article 6 of Chapter 52C of the General Statutes is amended by
4 adding the following new sections to read:

5 **"§ 52C-6-613. Jurisdiction to modify child support order of another state when**
6 **individual parties reside in this State.**

7 (a) If all of the parties who are individuals reside in this State and the child does
8 not reside in the issuing state, a tribunal of this State has jurisdiction to enforce and to
9 modify the issuing state's child support order in a proceeding to register that order.

10 (b) A tribunal of this State exercising jurisdiction under this section shall apply the
11 provisions of Articles 1 and 2 of this Chapter, this Article, and the procedural and
12 substantive law of this State to the proceeding for enforcement or modification. Articles
13 3, 4, 5, 7, and 8 of this Chapter do not apply.

14 **"§ 52C-6-614. Notice to issuing tribunal of modification.**

15 Within 30 days after issuance of a modified child support order, the party obtaining
16 the modification shall file a certified copy of the order with the issuing tribunal that had
17 continuing, exclusive jurisdiction over the earlier order, and in each tribunal in which the
18 party knows the earlier order has been registered. A party who obtains the order and fails
19 to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue
20 of failure to file arises. The failure to file does not affect the validity or enforceability of
21 the modified order of the new tribunal having continuing, exclusive jurisdiction."

22 Section 10.14. The Reviser of Statutes shall cause to be printed separate from
23 this Part all relevant portions of the official comments to the Uniform Interstate Family
24 Support Act, as amended, as the Reviser deems appropriate.

25
26 **PART 10A. FRAUDULENT CONVEYANCES TO AVOID CHILD SUPPORT.**

27 Section 10.15. Article 3 of Chapter 39 of the General Statutes is amended by
28 adding the following new section to read:

29 **"§ 39-15.1. Fraudulent conveyances to avoid child support.**

30 (a) As used in this section, the terms 'obligor' and 'obligee' shall have the
31 meanings given those terms in G.S. 110-129.

32 (b) In all child support cases, the conveyance of property by an obligor who is
33 delinquent in the payment of child support may be voided by an obligee upon a showing
34 of fraudulent intent. The factors which may be considered to show fraudulent intent are
35 as follows:

- 36 (1) The conveyance or obligation was to an insider.
- 37 (2) The obligor retained possession or control of the property after the
38 conveyance.
- 39 (3) The conveyance was concealed or not disclosed.
- 40 (4) Before the conveyance was made or the obligation was incurred, the
41 obligor had been sued or threatened with suit.
- 42 (5) The conveyance was of substantially all the obligor's assets.
- 43 (6) The obligor removed or concealed assets.

- 1 (7) The value of the consideration received by the obligor was not
2 reasonably equivalent to the value of the asset conveyed or the amount
3 of the obligation incurred.
- 4 (8) The obligor was insolvent or became insolvent shortly after the
5 conveyance was made or the obligation incurred.
- 6 (9) The conveyance occurred shortly before or shortly after a substantial
7 debt was incurred.
- 8 (10) The obligor conveyed the essential assets of a business to a lienor who
9 conveyed the assets to an insider of the obligor.

10 Proof of two or more of the factors listed in this subsection creates a rebuttable
11 presumption of fraud. Unless otherwise provided under this Article, if the court finds by
12 clear and convincing evidence that the conveyance was fraudulent, then the conveyance
13 is void."

14 **PART 11. MISCELLANEOUS AND EFFECTIVE DATE**

15 Section 11. The headings to the Parts of this act are a convenience to the reader
16 and are for reference only. The headings do not expand, limit, or define the text of this
17 act.
18

19 Section 11.1. If the 1997 General Assembly enacts House Bill 407, the
20 Uniform Fraudulent Transfer Act, then Section 10.15 of this act is repealed effective on
21 the date that the Uniform Fraudulent Transfer Act becomes law.

22 Section 11.2. Except as otherwise provided in this act, this act becomes
23 effective October 1, 1997.