Z-1086.3	

HOUSE BILL 2767

State of Washington 55th Legislature 1998 Regular Session

By Representatives Sheahan, Wolfe and Costa; by request of Department of Social and Health Services

Read first time 01/20/98. Referred to Committee on Law & Justice.

- AN ACT Relating to implementing amendments relating to child support contained in the federal personal responsibility and work opportunity reconciliation act of 1996; amending RCW 26.23.050, 4 26.23.055, 26.23.120, and 26.23.040; reenacting and amending RCW 5 74.20A.080; adding a new section to chapter 26.23 RCW; prescribing 6 penalties; and providing an effective date.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 **Sec. 1.** RCW 74.20A.080 and 1997 c 130 s 7 and 1997 c 58 s 907 are 9 each reenacted and amended to read as follows:
- 10 (1) The secretary may issue to any person, firm, corporation, association, political subdivision, department of the state, or agency, 11 12 subdivision, or instrumentality of the United States, an order to 13 withhold and deliver property of any kind, including but not restricted 14 to earnings which are or might become due, owing, or belonging to the 15 debtor, when the secretary has reason to believe that there is in the possession of such person, firm, corporation, association, political 16 17 subdivision, department of the state, or agency, subdivision, or instrumentality of the United States property which is or might become 18

p. 1 HB 2767

- 1 due, owing, or belonging to said debtor. Such order to withhold and 2 deliver may be issued:
 - (a) At any time, if a responsible parent's support order:
- 4 (i) Contains notice that withholding action may be taken against 5 earnings, wages, or assets without further notice to the parent; or
- 6 (ii) Includes a statement that other income-withholding action 7 under this chapter may be taken without further notice to the 8 responsible parent;
- 9 (b) Twenty-one days after service of a notice of support debt under 10 RCW 74.20A.040;
- 11 (c) Twenty-one days after service of a notice and finding of 12 parental responsibility under RCW 74.20A.056;
- 13 (d) Twenty-one days after service of a notice of support owed under 14 RCW 26.23.110;
- 15 (e) Twenty-one days after service of a notice and finding of 16 financial responsibility under RCW 74.20A.055; or
 - (f) When appropriate under RCW 74.20A.270.
- 18 (2) The order to withhold and deliver shall:
- 19 (a) State the amount to be withheld on a periodic basis if the 20 order to withhold and deliver is being served to secure payment of 21 monthly current support;
- (b) State the amount of the support debt accrued;
- 23 (c) State in summary the terms of RCW 74.20A.090 and 74.20A.100;
- 24 (d) Be served:

17

- 25 (i) In the manner prescribed for the service of a summons in a 26 civil action;
- 27 (ii) By certified mail, return receipt requested; or
- (iii) By electronic means if there is an agreement between the secretary and the person, firm, corporation, association, political subdivision, department of the state, or agency, subdivision, or instrumentality of the United States to accept service by electronic means.
- 33 (3) The division of child support may use uniform interstate 34 withholding forms adopted by the United States department of health and 35 human services to take withholding actions under this section when the 36 responsible parent is owed money or property that is located in another 37 state.
- 38 (4) Any person, firm, corporation, association, political 39 subdivision, department of the state, or agency, subdivision, or

- 1 instrumentality of the United States upon whom service has been made is 2 hereby required to:
- 3 (a) Answer said order to withhold and deliver within twenty days, 4 exclusive of the day of service, under oath and in writing, and shall 5 make true answers to the matters inquired of therein; and
- 6 (b) Provide further and additional answers when requested by the 7 secretary.
- 8 (5) Any such person, firm, corporation, association, political 9 subdivision, department of the state, or agency, subdivision, or 10 instrumentality of the United States in possession of any property 11 which may be subject to the claim of the department shall:
- 12 (a)(i) Immediately withhold such property upon receipt of the order 13 to withhold and deliver; and
- (ii) ((Immediately)) <u>Within seven working days</u> deliver the property to the secretary ((as soon as the twenty day answer period expires));
- (iii) Continue to withhold earnings payable to the debtor at each succeeding disbursement interval as provided for in RCW 74.20A.090, and deliver amounts withheld from earnings to the secretary ((on)) within seven working days of the date earnings are payable to the debtor;
- 20 (iv) Deliver amounts withheld from periodic payments to the 21 secretary ((on)) within seven working days of the date the payments are 22 payable to the debtor;
- (v) Inform the secretary of the date the amounts were withheld as requested under this section; or
- (b) Furnish to the secretary a good and sufficient bond, satisfactory to the secretary, conditioned upon final determination of liability.
- 28 (6) An order to withhold and deliver served under this section 29 shall not expire until:
 - (a) Released in writing by the division of child support;
- 31 (b) Terminated by court order; or

- 32 (c) The person or entity receiving the order to withhold and 33 deliver does not possess property of or owe money to the debtor for any 34 period of twelve consecutive months following the date of service of 35 the order to withhold and deliver.
- (7) Where money is due and owing under any contract of employment, express or implied, or is held by any person, firm, corporation, or association, political subdivision, or department of the state, or agency, subdivision, or instrumentality of the United States subject to

p. 3 HB 2767

- withdrawal by the debtor, such money shall be delivered by remittance 1 2 payable to the order of the secretary.
- (8) Delivery to the secretary of the money or other property held 3 4 or claimed shall satisfy the requirement and serve as full acquittance of the order to withhold and deliver.

- (9) A person, firm, corporation, or association, political 6 7 subdivision, department of the state, or agency, subdivision, or 8 instrumentality of the United States that complies with the order to withhold and deliver under this chapter is not civilly liable to the 9 10 debtor for complying with the order to withhold and deliver under this 11 chapter.
- (10) The secretary may hold the money or property delivered under 12 13 this section in trust for application on the indebtedness involved or for return, without interest, in accordance with final determination of 14 15 liability or nonliability.
- 16 (11) Exemptions contained in RCW 74.20A.090 apply to orders to 17 withhold and deliver issued under this section.
- (12) The secretary shall also, on or before the date of service of 18 19 the order to withhold and deliver, mail or cause to be mailed a copy of the order to withhold and deliver to the debtor at the debtor's last 20 known post office address, or, in the alternative, a copy of the order 21 to withhold and deliver shall be served on the debtor in the same 22 manner as a summons in a civil action on or before the date of service 23 24 of the order or within two days thereafter. The copy of the order 25 shall be mailed or served together with a concise explanation of the 26 right to petition for judicial review. This requirement is not 27 jurisdictional, but, if the copy is not mailed or served as in this section provided, or if any irregularity appears with respect to the 28 mailing or service, the superior court, in its discretion on motion of 29 30 the debtor promptly made and supported by affidavit showing that the debtor has suffered substantial injury due to the failure to mail the 31 copy, may set aside the order to withhold and deliver and award to the 32 33 debtor an amount equal to the damages resulting from the secretary's 34 failure to serve on or mail to the debtor the copy.
- 35 (13) An order to withhold and deliver issued in accordance with this section has priority over any other wage assignment, garnishment, 36 37 attachment, or other legal process.
- (14) The division of child support shall notify any person, firm, 38 corporation, association, or political subdivision, department of the 39

state, or agency, subdivision, or instrumentality of the United States required to withhold and deliver the earnings of a debtor under this action that they may deduct a processing fee from the remainder of the debtor's earnings, even if the remainder would otherwise be exempt under RCW 74.20A.090. The processing fee shall not exceed ten dollars for the first disbursement to the department and one dollar for each subsequent disbursement under the order to withhold and deliver.

- 8 **Sec. 2.** RCW 26.23.050 and 1997 c 58 s 888 are each amended to read 9 as follows:
- 10 (1) If the division of child support is providing support enforcement services under RCW 26.23.045, or if a party is applying for support enforcement services by signing the application form on the bottom of the support order, the superior court shall include in all court orders that establish or modify a support obligation:
- 15 (a) A provision that orders and directs the responsible parent to 16 make all support payments to the Washington state support registry;
- (b) A statement that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the responsible parent at any time after entry of the court order, unless:
- (i) One of the parties demonstrates, and the court finds, that there is good cause not to require immediate income withholding and that withholding should be delayed until a payment is past due; or
- 25 (ii) The parties reach a written agreement that is approved by the 26 court that provides for an alternate arrangement;
- (c) A statement that the receiving parent might be required to submit an accounting of how the support is being spent to benefit the child; and
- 30 (d) A statement that the responsible parent's privileges to obtain 31 and maintain a license, as defined in RCW 74.20A.320, may not be 32 renewed, or may be suspended if the parent is not in compliance with a 33 support order as provided in RCW 74.20A.320.
- As used in this subsection and subsection (3) of this section, "good cause not to require immediate income withholding" means a written determination of why implementing immediate wage withholding would not be in the child's best interests and, in modification cases, proof of timely payment of previously ordered support.

p. 5 HB 2767

- (2) In all other cases not under subsection (1) of this section, 1 2 the court may order the responsible parent to make payments directly to the person entitled to receive the payments, to the Washington state 3 4 support registry, or may order that payments be made in accordance with 5 an alternate arrangement agreed upon by the parties.
 - (a) The superior court shall include in all orders under this subsection that establish or modify a support obligation:

8

9

10

11

12

21

25

26

27

28 29

30

31

32

- (i) A statement that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the responsible parent at any time after entry of the court order, unless:
- (A) One of the parties demonstrates, and the court finds, that 13 there is good cause not to require immediate income withholding and 14 15 that withholding should be delayed until a payment is past due; or
- 16 (B) The parties reach a written agreement that is approved by the 17 court that provides for an alternate arrangement; and
- (ii) A statement that the receiving parent may be required to 18 19 submit an accounting of how the support is being spent to benefit the 20 child.
- As used in this subsection, "good cause not to require immediate 22 income withholding" is any reason that the court finds appropriate.
- (b) The superior court may order immediate or delayed income 23 24 withholding as follows:
 - (i) Immediate income withholding may be ordered if the responsible parent has earnings. If immediate income withholding is ordered under this subsection, all support payments shall be paid to the Washington state support registry. The superior court shall issue a mandatory wage assignment order as set forth in chapter 26.18 RCW when the support order is signed by the court. The parent entitled to receive the transfer payment is responsible for serving the employer with the order and for its enforcement as set forth in chapter 26.18 RCW.
- (ii) If immediate income withholding is not ordered, the court 33 34 shall require that income withholding be delayed until a payment is 35 past due. The support order shall contain a statement that withholding action may be taken against wages, earnings, assets, or benefits, and 36 37 liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to 38 39 the responsible parent, after a payment is past due.

- 1 (c) If a mandatory wage withholding order under chapter 26.18 RCW 2 is issued under this subsection and the division of child support 2 provides support enforcement services under RCW 26.23.045, the existing 2 wage withholding assignment is prospectively superseded upon the 2 division of child support's subsequent service of an income withholding 2 notice.
- 7 (3) The office of administrative hearings and the department of 8 social and health services shall require that all support obligations 9 established as administrative orders include a provision which orders 10 and directs that the responsible parent shall make all support payments to the Washington state support registry. All administrative orders 11 12 shall also state that the responsible parent's privileges to obtain and 13 maintain a license, as defined in RCW 74.20A.320, may not be renewed, or may be suspended if the parent is not in compliance with a support 14 15 order as provided in RCW 74.20A.320. All administrative orders shall 16 also state that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and 17 personal property under the child support statutes of this or any other 18 19 state without further notice to the responsible parent at any time 20 after entry of the order, unless:
- 21 (a) One of the parties demonstrates, and the presiding officer 22 finds, that there is good cause not to require immediate income 23 withholding; or
- (b) The parties reach a written agreement that is approved by the presiding officer that provides for an alternate agreement.
 - (4) If the support order does not include the provision ordering and directing that all payments be made to the Washington state support registry and a statement that withholding action may be taken against wages, earnings, assets, or benefits if a support payment is past due or at any time after the entry of the order, or that a parent's licensing privileges may not be renewed, or may be suspended, the division of child support may serve a notice on the responsible parent stating such requirements and authorizations. Service may be by personal service or any form of mail requiring a return receipt.
 - (5) Every support order shall state:

27

28 29

30

31

32

33

3435

36

- (a) The address where the support payment is to be sent;
- 37 (b) That withholding action may be taken against wages, earnings, 38 assets, or benefits, and liens enforced against real and personal 39 property under the child support statutes of this or any other state,

p. 7 HB 2767

- 1 without further notice to the responsible parent at any time after 2 entry of a support order, unless:
- 3 (i) One of the parties demonstrates, and the court finds, that 4 there is good cause not to require immediate income withholding; or
- 5 (ii) The parties reach a written agreement that is approved by the 6 court that provides for an alternate arrangement;
- 7 (c) The income of the parties, if known, or that their income is 8 unknown and the income upon which the support award is based;
 - (d) The support award as a sum certain amount;
- 10 (e) The specific day or date on which the support payment is due;
- (f) The social security number, residence address, date of birth, telephone number, driver's license number, and name and address of the employer of the responsible parent, except as provided under subsection
- 14 (6) of this section;

- 15 (g) The social security number and residence address of the 16 physical custodian except as provided in subsection (6) or (7) of this 17 section;
- (h) The names, dates of birth, and social security numbers, if any, of the dependent children;
- (i) A provision requiring the responsible parent to keep the Washington state support registry informed of whether he or she has access to health insurance coverage at reasonable cost and, if so, the health insurance policy information;
- (j) That any parent owing a duty of child support shall be obligated to provide health insurance coverage for his or her child if coverage that can be extended to cover the child is or becomes available to that parent through employment or is union-related as provided under RCW 26.09.105;
- (k) That if proof of health insurance coverage or proof that the coverage is unavailable is not provided within twenty days, the obligee or the department may seek direct enforcement of the coverage through the obligor's employer or union without further notice to the obligor as provided under chapter 26.18 RCW;
- (1) The reasons for not ordering health insurance coverage if the order fails to require such coverage; ((and))
- (m) That the responsible parent's privileges to obtain and maintain a license, as defined in RCW 74.20A.320, may not be renewed, or may be suspended if the parent is not in compliance with a support order as provided in RCW 74.20A.320; and

- 1 (n) That each parent must:
- 2 <u>(i) Provide the state case registry with the information required</u>
 3 <u>by RCW 26.23.055; and</u>
- 4 <u>(ii) Update the information provided to the state case registry</u> 5 when the information changes.
- 6 (6) The address and employer's name and address of either party may
 7 be omitted from a support order if:
- 8 <u>(a) There is reason to believe that release of the address</u>
 9 <u>information may result in physical or emotional harm to the party or to</u>
 10 <u>the child; or</u>
- 11 <u>(b) A restraining or protective order is in effect to protect one</u> 12 party from the other party.
- 13 (7) The physical custodian's address($(\div (a))$) shall be omitted 14 from an order entered under the administrative procedure act.
- 15 <u>(8)</u> When ((the physical custodian's)) a party's employment or 16 address is omitted from an order, the order shall state that the 17 ((custodian's address)) information is known to the division of child 18 support, state case registry.
- 19 (((b) A responsible parent may request the physical custodian's 20 residence address by submission of a request for disclosure under RCW 21 26.23.120 to the division of child support.
 - (7)) (9) After the responsible parent has been ordered or notified to make payments to the Washington state support registry under this section, the responsible parent shall be fully responsible for making all payments to the Washington state support registry and shall be subject to payroll deduction or other income-withholding action. The responsible parent shall not be entitled to credit against a support obligation for any payments made to a person or agency other than to the Washington state support registry except as provided under RCW 74.20.101. A civil action may be brought by the payor to recover payments made to persons or agencies who have received and retained support moneys paid contrary to the provisions of this section.
- 33 **Sec. 3.** RCW 26.23.055 and 1997 c 58 s 904 are each amended to read 34 as follows:
- 35 (1) Each party to a paternity or child support proceeding must 36 provide the court and the Washington state child support registry with 37 his or her:
- 38 (a) Social security number;

23

24

25

26

27

28 29

30

3132

p. 9 HB 2767

- 1 (b) Current residential address;
- 2 (c) Date of birth;

32

- (d) Telephone number; 3
- 4 (e) Driver's license number; and
- 5 (f) Employer's name, address, and telephone number.
- 6 (2) Each party to an order entered in a child support or paternity 7 proceeding shall update the information required under subsection (1) 8 of this section promptly after any change in the information. The duty 9 established under this section continues as long as any monthly support or support debt remains due under the support order.
- 11 (3) In any proceeding to establish, enforce, or modify the child support order between the parties, a party may demonstrate to the 12 presiding officer that he or she has diligently attempted to locate the 13 other party. Upon a showing of diligent efforts to locate, the 14 15 presiding officer ((may allow, or accept as adequate,)) shall deem service of process for the action by delivery of written notice to the 16 17 address most recently provided by the party under this section to be adequate notice of the action. 18
- 19 (4) All support orders shall contain notice to the parties of the 20 obligations established by this section and possibility of service of process according to subsection (3) of this section. 21
- 22 Sec. 4. RCW 26.23.120 and 1997 c 58 s 908 are each amended to read 23 as follows:
- 24 (1) Any information or records concerning individuals who owe a 25 support obligation or for whom support enforcement services are being provided which are obtained or maintained by the Washington state 26 support registry, the division of child support, or under chapter 74.20 27 RCW shall be private and confidential and shall only be subject to 28 29 public disclosure as provided in subsection (2) of this section.
- 30 (2) The secretary of the department of social and health services may adopt rules: 31
 - (a) That specify what information is confidential;
- 33 That specify the individuals or agencies to whom this 34 information and these records may be disclosed;
- (c) Limiting the purposes for which the information may be 35 36 disclosed;
- (d) Establishing procedures to obtain the information or records; 37 38 or

- 1 (e) Establishing safeguards necessary to comply with federal law 2 requiring safeguarding of information.
- 3 (3) The rules adopted under subsection (2) of this section shall 4 provide for disclosure of the information and records, under 5 appropriate circumstances, which shall include, but not be limited to:
- 6 (a) When authorized or required by federal statute or regulation 7 governing the support enforcement program;
- 8 (b) To the person the subject of the records or information, unless 9 the information is exempt from disclosure under RCW 42.17.310;
- 10 (c) To government agencies, whether state, local, or federal, and including federally recognized tribes, law enforcement agencies, 12 prosecuting agencies, and the executive branch, if the disclosure is 13 necessary for child support enforcement purposes or required under 14 Title IV-D of the federal social security act;
- (d) To the parties in a judicial or adjudicative proceeding upon a specific written finding by the presiding officer that the need for the information outweighs any reason for maintaining the privacy and confidentiality of the information or records;
- 19 (e) To private persons, federally recognized tribes, or 20 organizations if the disclosure is necessary to permit private 21 contracting parties to assist in the management and operation of the 22 department;
- (f) Disclosure of address and employment information to the parties to an action for purposes relating to a child support order, subject to the limitations in subsections (4) and (5) of this section;
- (g) Disclosure of information or records when necessary to the efficient administration of the support enforcement program or to the performance of functions and responsibilities of the support registry and the division of child support as set forth in state and federal statutes; or
- 31 (h) Disclosure of the information or records when authorized under 32 RCW 74.04.060.
- (4) Prior to disclosing the whereabouts of a <u>physical custodian</u>, custodial parent or a ((party to a support order)) <u>child</u> to the other parent or party, a notice shall be mailed, if appropriate under the circumstances, to the parent or ((other party)) <u>physical custodian</u> whose whereabouts are to be disclosed, at that person's last known address. The notice shall advise the parent or ((party)) <u>physical</u>

p. 11 HB 2767

- 1 <u>custodian</u> that a request for disclosure has been made and will be 2 complied with unless the department:
- 3 (a) Receives a copy of a court order within thirty days which 4 enjoins the disclosure of the information or restricts or limits the 5 requesting party's right to contact or visit the parent or party whose 6 address is to be disclosed or the child;
- 7 (b) Receives a hearing request within thirty days under subsection 8 (5) of this section; or
- 9 (c) Has reason to believe that the release of the information may 10 result in physical or emotional harm to the party whose whereabouts are 11 to be released, or to the child.
- (5) A person receiving notice under subsection (4) of this section 12 13 may request an adjudicative proceeding under chapter 34.05 RCW, at which the person may show that there is reason to believe that release 14 15 of the information may result in physical or emotional harm to the 16 person or the child. The administrative law judge shall determine 17 whether the whereabouts of the person should be disclosed based on subsection (4)(c) of this section, however no hearing is necessary if 18 19 the department has in its possession a protective order or an order 20 limiting visitation or contact.
- 21 (6) The notice and hearing process in subsections (4) and (5) of 22 this section do not apply to protect the whereabouts of a noncustodial 23 parent, unless that parent has requested notice before whereabouts 24 information is released. A noncustodial parent may request such notice 25 by submitting a written request to the division of child support.
- 26 (7) Nothing in this section shall be construed as limiting or restricting the effect of RCW 42.17.260(9). Nothing in this section 28 shall be construed to prevent the disclosure of information and records 29 if all details identifying an individual are deleted or the individual 30 consents to the disclosure.
- (((7))) (8) It shall be unlawful for any person or agency in violation of this section to solicit, publish, disclose, receive, make use of, or to authorize, knowingly permit, participate in or acquiesce in the use of any lists of names for commercial or political purposes or the use of any information for purposes other than those purposes specified in this section. A violation of this section shall be a gross misdemeanor as provided in chapter 9A.20 RCW.

- 1 **Sec. 5.** RCW 26.23.040 and 1997 c 58 s 944 are each amended to read 2 as follows:
- (1) All employers doing business in the state of Washington((, and to whom the department of employment security has assigned a standard industrial classification sic code)) shall report to the Washington state support registry:
- 7 (a) The hiring of any person who resides or works in this state to 8 whom the employer anticipates paying earnings; and
- 9 (b) The rehiring or return to work of any employee who was laid 10 off, furloughed, separated, granted a leave without pay, or terminated 11 from employment.
- The secretary of the department of social and health services may adopt rules to establish additional exemptions if needed to reduce unnecessary or burdensome reporting.
- 15 (2) Employers may report by mailing the employee's copy of the W-4 form, or other means authorized by the registry which will result in timely reporting.
- 18 (3) Employers shall submit reports within twenty days of the 19 hiring, rehiring, or return to work of the employee, except as provided 20 in subsection (4) of this section. The report shall contain:
- 21 (a) The employee's name, address, social security number, and date 22 of birth; and
- (b) The employer's name, address, ((employment security reference number, unified business identifier number)) and identifying number assigned under section 6109 of the internal revenue code of 1986.
- 26 (4) In the case of an employer transmitting reports magnetically or 27 electronically, the employer shall report newly hired employees by two 28 monthly transmissions, if necessary, not less than twelve days nor more 29 than sixteen days apart.
- (5) An employer who fails to report as required under this section ((shall be given a written warning for the first violation and)) shall be subject to a civil penalty of ((up to two hundred dollars per month for each subsequent violation after the warning has been given)):
 - (a) Twenty-five dollars per month per employee; or

35 (b) Five hundred dollars, if the failure to report is the result of 36 a conspiracy between the employer and the employee not to supply the 37 required report, or to supply a false report. All violations within a 38 single month shall be considered a single violation for purposes of

p. 13 HB 2767

- assessing the penalty. The penalty may be imposed and collected by the division of child support under RCW 74.20A.350.
- 3 (6) The registry shall retain the information for a particular 4 employee only if the registry is responsible for establishing, 5 enforcing, or collecting a support debt of the employee. The registry 6 may, however, retain information for a particular employee for as long 7 as may be necessary to:
- 8 (a) Transmit the information to the national directory of new hires 9 as required under federal law; or
- 10 (b) Provide the information to other state agencies for comparison 11 with records or information possessed by those agencies as required by 12 law.
- Information that is not permitted to be retained shall be promptly destroyed. Agencies that obtain information from the department of social and health services under this section shall maintain the confidentiality of the information received, except as necessary to implement the agencies' responsibilities.
- NEW SECTION. Sec. 6. A new section is added to chapter 26.23 RCW to read as follows:
- In order to assist in child support enforcement, state agencies 20 shall have procedures requiring that the social security number of any 21 applicant for a professional license, driver's license, occupational 22 23 license, or recreational license be recorded on the application. 24 state agency allows the use of a number other than the social security 25 number to be on the face of the document while the social security number is kept on file at the agency, the agency shall so advise any 26 applicants. 27
- NEW SECTION. Sec. 7. Section 5 of this act takes effect October 29 1, 1998.

--- END ---