
DIGEST

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HB 357 Engrossed

2015 Regular Session

Ritchie

Abstract: Requires certain financial disclosures of banks and financial institutions relative to data match and the respective institutions' receipt of applicable fees.

Present law requires financial institution data match (FIDM), a partnership between a child support program and the state's financial institutions to identify financial accounts belonging to delinquent obligors.

Present law authorizes a bank or any affiliate of data match to disclose certain account information of individuals to the secretary of the Department of Children and Family Services (DCFS) or his designee in the office of children and family services, child support enforcement section, for the purposes of establishing, modifying, or enforcing a child support obligation.

Present law limits such disclosures to the name, record address, social security or taxpayer ID number, and an average daily account balance for the most recent 30-day period of a noncustodial parent who maintains an account with the bank or affiliate and who owes past-due support as identified by the state by the noncustodial parent's name and social security or taxpayer ID number. Proposed law retains present law and requires the disclosure authorization of present law to be made applicable to all persons who co-own an account with the noncustodial parent.

Present law authorizes a bank or its subsidiary or affiliate of data match to disclose certain account information of individuals to the secretary of the Department of Revenue (DOR) or his designee in the office of debt recovery, hereinafter "office", within the DOR, for purposes of enforcing a final tax or non-tax assessment or judgment against the individual or entity.

Present law limits such disclosures to the name, record address, social security or taxpayer ID number, other identifying information, and an average daily account balance for the most recent 30-day period of person who is: (1) a state tax or state non-tax debtor who maintains an account or (2) a customer of the bank, subsidiary, or affiliate, who purportedly owes a final state tax or state non-tax assessment or judgment. Proposed law retains present law and requires the disclosure authorization of present law to be made applicable to all persons who co-own an account with the state tax or state non-tax debtor, or customer.

Present law requires financial institutions to disclose to DCFS the name, record address, social security or taxpayer ID number, other identifying information, and an average daily account balance for the most recent 30-day period for each calendar quarter for each noncustodial parent owing past due support and who maintains an account at the financial institution. Proposed law retains present

law and authorizes financial institutions to make the disclosures of present law applicable to all persons who co-own an account with the noncustodial parent.

Present law authorizes DCFS to pay a financial institution a reasonable fee not exceeding the actual cost incurred by such financial institution for conducting the data match. Proposed law retains present law and provides for the fee to be a reasonable reimbursement fee.

Proposed law authorizes the reimbursement fee to be paid quarterly or annually at the end of the state fiscal year upon request of any financial institution. Provides that DCFS may require documentation proving actual cost incurred for all quarters once per state fiscal year. Requires DCFS to reimburse a financial institution for all quarters in a state fiscal year that such financial institution complies with the provisions of both present law and proposed law, which includes the submission of invoices to DCFS by July 15 following the end of the state fiscal year.

Present law requires a financial institution or its processor to provide the DOR or office with the name, record address, social security or taxpayer ID number, any other identifying information, and an average daily account balance for the most recent 30-day period for each calendar quarter for each account owner who maintains an account at the financial institution and who the office purports is a tax or nontax debtor. Proposed law retains present law and authorizes a financial institution to provide this information for all persons who co-own an account with the purported tax or nontax debtor.

Present law requires the DOR or office to pay a participation fee to each financial institution that actually receives a data match request file. Further requires the participation fee to be paid for actual costs incurred for conducting the data match. To receive the participation fee, the financial institution must be FDIC insured. Proposed law retains present law.

Present law requires a financial institution to show that it has incurred costs under present law prior to receiving a participation fee. Further authorizes the DOR or office to require a financial institution to submit paperwork such as invoices and other documentation to substantiate the cost incurred. After actual costs are established by a financial institution, the office is required to automatically remit payment to the financial institution on a quarterly basis without the financial institution having to resubmit additional paperwork each quarter, though the office may periodically request additional paperwork, but not more than once every two years for the purpose of verifying actual costs incurred by the financial institution. Proposed law deletes this provision of present law.

Proposed law requires the participation fee to be paid annually at the end of the state fiscal year upon request of any financial institution submitting invoices or other documentation showing actual cost incurred in compliance with present law and proposed law. Further provides that DOR can require invoices or other documentation proving actual cost incurred to be submitted once per state fiscal year. In all circumstances, a financial institution that complies with present law and proposed law is required to be reimbursed by DOR its actual cost for all quarters in a state fiscal year that it complies with the provisions of present law and proposed law.

(Amends R.S. 6:333(F)(14) and (18), R.S. 46:236.1.4(A) and (C), and R.S. 47:1677(A) and (F)(2))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Restore present law that authorizes DCFS to pay a reasonable reimbursement fee to a financial institution not to exceed actual cost incurred by such institution for conducting data match.
2. Authorize the reimbursement fee to be paid quarterly or annually at the end of the state fiscal year upon request of such financial institution.
3. Provide that DCFS may require documentation proving actual cost incurred for all quarters once per state fiscal year.
4. Require DCFS to reimburse a financial institution for all quarters in a state fiscal year that such financial institution complies with the provisions of both present law and proposed law, including the submission of invoices to DCFS by July 15 following the end of the state fiscal year.
5. Make technical changes.