

**Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted on Second Reading in the Second House* LLS NO.  
12-0511.01 Jane Ritter x4342 **SENATE BILL 12-042**

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**SENATE SPONSORSHIP**

**Spence,**

**HOUSE SPONSORSHIP**

**Summers,**

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**Senate Committees**  
Judiciary

**House Committees**  
Judiciary

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**A BILL FOR AN ACT**

101 **CONCERNING BRINGING CERTAIN STATUTORY PROVISIONS RELATED TO**  
102 **CHILD SUPPORT INTO COMPLIANCE WITH FEDERAL LAW.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill authorizes the state department of human services (department) to identify for another state, upon request and through a data match system (system), any assets owned by a person who owes child support in another state. The department is further authorized to seize such assets through levy or other appropriate processes.

The department and financial institutions are required to enter into

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
2nd Reading Unam ended  
March 2, 2012

SENATE  
3rd Reading Unam ended  
February 14, 2012

SENATE  
2nd Reading Unam ended  
February 13, 2012

agreements to implement the system. The data match required through the system shall be conducted quarterly.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 26-13-105, **add** (1.5)  
3 as follows:

4 **26-13-105. Child support enforcement services - review.**

5 (1.5) UPON THE REQUEST OF ANOTHER STATE, THE STATE DEPARTMENT  
6 OR ITS AGENT IS AUTHORIZED TO PROVIDE THE IDENTIFICATION, THROUGH  
7 DATA MATCHES WITH ANY ENTITY WHERE ASSETS MAY BE FOUND, OF  
8 ASSETS OWNED BY A PERSON WHO OWES CHILD SUPPORT IN ANOTHER  
9 STATE AND TO SEIZE SUCH ASSETS THROUGH LEVY OR OTHER APPROPRIATE  
10 PROCESSES.

11 **SECTION 2.** In Colorado Revised Statutes, 26-13-128, **amend**  
12 (1) and (2) as follows:

13 **26-13-128. Agreements with financial institutions - data match**  
14 **system - limited liability - definitions.** (1) The general assembly  
15 authorizes the state department, or its agent, to design and implement a  
16 program pursuant to ~~which~~ THIS SECTION. The state department, or its  
17 agent, ~~shall enter into agreements with~~ AND financial institutions doing  
18 business in the state SHALL ENTER INTO AGREEMENTS to effectuate the  
19 purpose of this section. The executive director may request and shall  
20 receive from such financial institutions or any state entity, such as a  
21 department, board, or agency of the state or any of its political  
22 subdivisions, the information and action described in this section.

23 (2) (a) The purpose of the program authorized by this section shall  
24 be to develop and operate, in coordination with such financial institutions  
25 and state entities, a data match system, using automated data exchanges,

1 to the maximum extent feasible. ~~in which each such financial institution~~  
2 ~~or state entity is required to provide at least semiannually the name,~~  
3 ~~record address, and social security number, or other taxpayer~~  
4 ~~identification number, of any account holder or customer that maintains~~  
5 ~~an account at such institution or entity and who owes past-due child~~  
6 ~~support, as identified by the state by name and social security number or~~  
7 ~~other taxpayer identification number. The state department shall enter into~~  
8 ~~an agreement with each financial institution and state entity, which~~  
9 ~~agreement shall specify a schedule of data matches. The agreement shall~~  
10 ~~provide that the data match be performed by the financial institution~~  
11 ~~within forty-five days after the receipt of the informational electronic or~~  
12 ~~magnetic data. The agreement shall also provide that the data be returned~~  
13 ~~in electronic or magnetic form within three business days after conducting~~  
14 ~~the data match. The financial institution or state entity shall include~~  
15 ~~information concerning all accounts where a data match occurs,~~  
16 ~~including, but not limited to, information regarding joint accounts,~~  
17 ~~partnership accounts, sole proprietorship accounts, custodial accounts,~~  
18 ~~and commercial accounts. The child support enforcement agency shall~~  
19 ~~make a reasonable effort to accommodate those financial institutions~~  
20 ~~upon which the requirements of this section would pose a hardship. The~~  
21 ~~financial institution or entity, in response to a notice of lien or levy from~~  
22 ~~the state department, shall encumber or surrender assets, except for~~  
23 ~~custodial accounts created pursuant to the "Colorado Uniform Transfers~~  
24 ~~to Minors Act", article 50 of title 11, C.R.S., and except for trust accounts~~  
25 ~~of moneys held in trust for a third party, held by such institution or entity~~  
26 ~~on behalf of any obligor parent who is subject to a child support lien,~~  
27 ~~subject to any right of setoff the financial institution may have against~~

1 such assets. Before the financial institution surrenders any assets of the  
2 obligor parent to the state department, the financial institution may apply,  
3 at the sole discretion of the financial institution, any assets held by the  
4 financial institution on behalf of the obligor parent against the balance of  
5 any amounts owed by the obligor parent to the financial institution,  
6 regardless of whether the obligor parent is in default under any agreement  
7 with the financial institution or whether any payments are currently due  
8 to the financial institution. Service of a notice of lien or levy pursuant to  
9 this subsection (2) shall be made by United States first class mail and, in  
10 addition, may be made by United States registered or certified mail, return  
11 receipt requested, the cost for which may be withheld by the financial  
12 institution or state entity from the account of the obligor parent.

13 (b) THE DATA MATCH REQUIRED BY PARAGRAPH (a) OF THIS  
14 SUBSECTION (2) SHALL BE CONDUCTED QUARTERLY.

15 (c) THE STATE DEPARTMENT SHALL PROVIDE TO THE FINANCIAL  
16 INSTITUTIONS OR ANY STATE ENTITY THE NAME, RECORD ADDRESS, AND  
17 SOCIAL SECURITY NUMBER OF ANY PERSON WHO OWES PAST-DUE CHILD  
18 SUPPORT, AS IDENTIFIED BY THE STATE.

19 (d) THE AGREEMENT REQUIRED PURSUANT TO SUBSECTION (1) OF  
20 THIS SECTION SHALL PROVIDE THAT THE DATA MATCH BE PERFORMED BY  
21 THE FINANCIAL INSTITUTION OR STATE ENTITY WITHIN FORTY-FIVE DAYS  
22 AFTER THE RECEIPT OF THE INFORMATIONAL ELECTRONIC OR MAGNETIC  
23 DATA. THE AGREEMENT SHALL ALSO PROVIDE THAT THE DATA BE  
24 RETURNED IN ELECTRONIC OR MAGNETIC FORM WITHIN THREE BUSINESS  
25 DAYS AFTER THE MATCH IS CONDUCTED. THE FINANCIAL INSTITUTION OR  
26 STATE ENTITY SHALL INCLUDE INFORMATION CONCERNING ALL ACCOUNTS  
27 WHERE A DATA MATCH OCCURS, INCLUDING BUT NOT LIMITED TO

1 INFORMATION REGARDING ACCOUNT NUMBERS, ACCOUNT TYPES, JOINT  
2 ACCOUNTS, PARTNERSHIP ACCOUNTS, SOLE PROPRIETORSHIP ACCOUNTS,  
3 CUSTODIAL ACCOUNTS, AND COMMERCIAL ACCOUNTS. THE CHILD SUPPORT  
4 ENFORCEMENT AGENCY SHALL MAKE A REASONABLE EFFORT TO  
5 ACCOMMODATE THOSE FINANCIAL INSTITUTIONS UPON WHICH THE  
6 REQUIREMENTS OF THIS SUBSECTION (2) WOULD POSE A HARDSHIP.

7 (e) THE FINANCIAL INSTITUTION OR STATE ENTITY, IN RESPONSE TO  
8 A NOTICE OF LIEN OR LEVY FROM THE STATE DEPARTMENT, SHALL  
9 ENCUMBER OR SURRENDER ASSETS, EXCEPT FOR CUSTODIAL ACCOUNTS  
10 CREATED PURSUANT TO THE "COLORADO UNIFORM TRANSFERS TO  
11 MINORS ACT", ARTICLE 50 OF TITLE 11, C.R.S., FUNDS IN ESCROW AND  
12 TRUST ACCOUNTS OF MONEYS HELD IN TRUST FOR A THIRD PARTY, HELD BY  
13 SUCH INSTITUTION OR ENTITY ON BEHALF OF ANY OBLIGOR PARENT WHO  
14 IS SUBJECT TO A CHILD SUPPORT LIEN, SUBJECT TO ANY RIGHT OF SETOFF  
15 THE FINANCIAL INSTITUTION MAY HAVE AGAINST SUCH ASSETS. BEFORE  
16 THE FINANCIAL INSTITUTION SURRENDERS ANY ASSETS OF THE OBLIGOR  
17 PARENT TO THE STATE DEPARTMENT, THE FINANCIAL INSTITUTION MAY  
18 APPLY, AT THE SOLE DISCRETION OF THE FINANCIAL INSTITUTION, ANY  
19 ASSETS HELD BY THE FINANCIAL INSTITUTION ON BEHALF OF THE OBLIGOR  
20 PARENT AGAINST THE BALANCE OF ANY AMOUNTS OWED BY THE OBLIGOR  
21 PARENT TO THE FINANCIAL INSTITUTION, REGARDLESS OF WHETHER THE  
22 OBLIGOR PARENT IS IN DEFAULT UNDER ANY AGREEMENT WITH THE  
23 FINANCIAL INSTITUTION OR WHETHER ANY PAYMENTS ARE CURRENTLY  
24 DUE TO THE FINANCIAL INSTITUTION. SERVICE OF A NOTICE OF LIEN OR  
25 LEVY PURSUANT TO THIS SUBSECTION (2) SHALL BE MADE BY UNITED  
26 STATES FIRST CLASS MAIL AND, IN ADDITION, MAY BE MADE BY UNITED  
27 STATES REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED,

1 THE COST FOR WHICH MAY BE WITHHELD BY THE FINANCIAL INSTITUTION  
2 OR STATE ENTITY FROM THE ACCOUNT OF THE OBLIGOR PARENT.

3 **SECTION 3. Safety clause.** The general assembly hereby finds,  
4 determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.