

STAFF MEASURE SUMMARY**House Committee On Revenue****Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 02/05/16**Action:** Do Pass With Amendments And Bill Be Referred To Ways And Means.
(Printed A-Eng.)**Meeting Dates:** 02/03, 02/05**Vote:**

Yeas: 6 - Barnhart, Bentz, Helm, Lininger, Nosse, Smith Warner

Nays: 3 - Davis, Johnson, Whitsett

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WHAT THE MEASURE DOES:

Requires financial institutions to develop data match agreements with the Department of Revenue. The purpose of these agreements is to conduct quarterly matches to identify assets held by delinquent debtors. The bill also allows the Department of Revenue to enter into agreements with the Department of Justice's Division of Child Support to access employer data on newly hired workers. Finally the bill creates criminal provisions for misuse of matched data.

ISSUES DISCUSSED:

- Secretary of State's Audit Report.
- Current Department of Revenue garnishment process.
- Similar data match agreements in other states.
- Privacy concerns.
- Responsibility of financial institutions.
- Federal requirements for child support garnishment procedures.

EFFECT OF COMMITTEE AMENDMENT:

Replaces original bill.

BACKGROUND:

The Secretary of State's Audit Division issued a report on the state's management of its delinquent debt collections. Among the recommendations in the report was the development of data matching agreements with banks and other financial institutions. According to the Legislative Fiscal Office's annual delinquent and liquidated accounts report, the state has 95,337 debtor accounts subject to bank garnishments.