A-Engrossed
Senate Bill 510

Ordered by the Senate April 25
Including Senate Amendments dated April 25

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires insurance companies to enter into agreements with Department of Justice to provide information and financial records to department for claimants who are obligors of past due support.

Provides that financial institution can satisfy obligation to conduct data match and provide information to administrator as provided in rules adopted by department.

Requires financial institution at which obligor has claim for insurance benefits or payments to provide administrator with at least 10 days' advance written notice before disbursing payment to obligor.

1 **A BILL FOR AN ACT**

2 Relating to automated data exchanges between the Department of Justice and financial institutions;

3 amending ORS 25.640, 25.643 and 25.646.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 25.640 is amended to read:

6 25.640. For purposes of ORS 25.643 and 25.646:

7 (1) "Account" means a demand deposit account, checking or negotiable withdrawal order ac-

8 count, savings account, share draft account, time deposit account**,** [*or*] money-market mutual fund

9 account[.] **or a claim for insurance benefits or payments of at least $500, not including a claim**

10 **for property damage, under a liability or uninsured motorist insurance policy issued by an**

11 **insurance company authorized to do business in this state.**

12 **(2) "Claimant" means an obligor who is asserting a claim of at least $500, not including**

13 **a claim for property damage, under a liability or uninsured motorist policy issued by an**

14 **insurer that is authorized to do business in this state.**

15 [*(2)*] **(3)** "Customer" has the meaning given that term in ORS 192.583.

16 [*(3)*] **(4)** "Financial institution" means:

17 (a) A depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12

18 U.S.C. 1813(c));

19 (b) Any federal credit union or state credit union, as defined in section 101 of the Federal Credit

20 Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as de-

21 fined in section 206(r) of the Federal Credit Union Act (12 U.S.C. 1786(r)); and

22 (c) Any benefit association, insurance company, safe deposit company, money-market mutual

23 fund or similar entity authorized to do business in [*the*] **this** state.

24 [*(4)*] **(5)** "Financial records" [*has the meaning given that term in ORS 192.583*] **means any ori-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

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1 **ginal written or electronic document or copy of the document, or any information contained**

2 **in the document, held by or in the custody of a financial institution, when the document,**

3 **copy or information is identifiable as pertaining to one or more customers or claimants of**

4 **the financial institution**.

5   <u>SECTION 2.</u> ORS 25.643 is amended to read:

6   25.643. (1) The Department of Justice and financial institutions doing business in this state shall

7 enter into agreements to develop and operate a data match system using automated data exchanges

8 to the maximum extent feasible.

9   (2) Pursuant to the agreements, financial institutions shall provide, for each calendar quarter,

10 the name, address, Social Security number or other taxpayer identification number and other iden-

11 tifying information for each obligor who:

12   (a) Maintains an account at**, or has a claim for insurance benefits or payments with,** the

13 institution; and

14   (b) Owes past due support, as identified by the administrator by name and Social Security

15 number or other taxpayer identification number.

16   **(3) Notwithstanding subsection (2) of this section, a financial institution can satisfy its**

17 **obligation to conduct a data match and provide information to the administrator under this**

18 **section as provided in rules adopted by the department.**

19   **(4) A financial institution at which an obligor has a claim for insurance benefits or pay-**

20 **ments must provide the administrator with at least 10 days' advance written notice before**

21 **disbursing any payment to the obligor pursuant to the claim.**

22   [*(3)*] **(5)** The administrator shall pay a reasonable fee to a financial institution for conducting

23 the data match provided for in this section. The fee may not exceed the actual costs incurred by the

24 financial institution.

25   [*(4)*] **(6)** A financial institution, including an institution-affiliated party as defined in section 3(u)

26 of the Federal Deposit Insurance Act (12 U.S.C. 1813(u)), is not liable under any state law to any

27 person:

28   (a) For any disclosure of information to the administrator under this section;

29   (b) For encumbering or surrendering any assets held by the financial institution in response to

30 a notice of lien or levy issued by the administrator; or

31   (c) For any other action taken in good faith to comply with the requirements of this section.

32   **(7) The department may adopt rules to implement and direct the provision of information**

33 **pursuant to the agreements entered into for automated data exchanges performed by the**

34 **data match system developed and operated under this section.**

35   <u>SECTION 3.</u> ORS 25.646 is amended to read:

36   25.646. (1) Upon request of the administrator and the receipt of the certification required under

37 subsection (2) of this section, a financial institution shall provide financial records of a customer

38 **or claimant**.

39   (2) In requesting information under subsection (1) of this section, the administrator shall provide

40 the name and Social Security number of the person whose financial records are sought and shall

41 state with reasonable specificity the financial records requested. The administrator shall provide to

42 the financial institution a signed document in a form established by the Department of Justice cer-

43 tifying that:

44   (a) The person whose financial records are sought is a party to a proceeding to establish, modify

45 or enforce the child support obligation of the person; and

1   (b) The administrator has authorization from the person for release of the financial records, has

2 given the person written notice of its request for financial records or will give the notice within five

3 days after the financial institution responds to the request.

4   (3) The administrator shall reimburse a financial institution supplying financial records under

5 this section for actual costs incurred.

6   (4) A financial institution, including an institution-affiliated party as defined in section 3(u) of

7 the Federal Deposit Insurance Act (12 U.S.C. 1813(u)), that supplies financial records to the admin-

8 istrator under this section is not liable to any person for any loss, damage or injury arising out of

9 or in any way pertaining to the disclosure of the financial records.

10   (5) A financial institution that is requested to supply financial records under this section may

11 enter into an agreement with the administrator concerning the method by which requests for fi-

12 nancial records and responses from the financial institution shall be made.

13   (6) The administrator shall provide a reasonable time to the financial institution for responding

14 to a request for financial records.

15   (7) The administrator shall seek financial records under this section only:

16   (a) With respect to a person who is a party to a proceeding to establish, modify or enforce the

17 child support obligation of the person; or

18   (b) According to the provisions of ORS 25.083.

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