

B-Engrossed Senate Bill 510

Ordered by the House May 31
Including Senate Amendments dated April 25 and House Amendments
dated May 31

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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.] **Requires, unless financial institution has previously provided required information to administrator, financial institution to provide administrator at least three days' advance written notice before disbursing payment to obligor pursuant to claim for insurance benefits or payments.**

Provides that financial institution is not in violation of laws regulating handling of accounts upon taking certain specified actions.

A BILL FOR AN ACT

1
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 insurance policy or uninsured motorist insurance pol-**
11 **icy issued by an 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 insurance policy or uninsured motorist policy
14 issued by an 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-

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.

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

2 (c) Any benefit association, insurance company, safe deposit company, money-market mutual
3 fund or similar entity authorized to do business in *[the]* **this** state.

4 *[(4)]* **(5) “Financial records” [has the meaning given that term in ORS 192.583] means any ori-**
5 **ginal written or electronic document or copy of the document, or any information contained**
6 **in the document, held by or in the custody of a financial institution, when the document,**
7 **copy or information is identifiable as pertaining to one or more customers or claimants of**
8 **the financial institution.**

9 **SECTION 2.** ORS 25.643 is amended to read:

10 25.643. (1) The Department of Justice and financial institutions doing business in this state shall
11 enter into agreements to develop and operate a data match system using automated data exchanges
12 to the maximum extent feasible.

13 (2) Pursuant to the agreements, financial institutions shall provide, for each calendar quarter,
14 the name, address, Social Security number or other taxpayer identification number and other iden-
15 tifying information for each obligor who:

16 (a) Maintains an account at, **or has a claim for insurance benefits or payments with,** the
17 institution; and

18 (b) Owes past due support, as identified by the administrator by name and Social Security
19 number or other taxpayer identification number.

20 **(3) Notwithstanding subsection (2) of this section, a financial institution can satisfy its**
21 **obligation to conduct a data match and provide information to the administrator under this**
22 **section as provided in rules adopted by the department.**

23 **(4) If a financial institution at which an obligor has a claim for insurance benefits or**
24 **payments has not previously provided the administrator with the information required by**
25 **this section, the financial institution must provide the administrator with at least three**
26 **business days’ advance written notice before disbursing any payment to the obligor pursuant**
27 **to the claim.**

28 *[(3)]* **(5)** The administrator shall pay a reasonable fee to a financial institution for conducting
29 the data match provided for in this section. The fee may not exceed the actual costs incurred by the
30 financial institution.

31 *[(4)]* **(6)** A financial institution, including an institution-affiliated party as defined in section 3(u)
32 of the Federal Deposit Insurance Act (12 U.S.C. 1813(u)), is not liable under any state law to any
33 person[.] **and, except as provided in this section, shall not be in violation of any other law**
34 **regulating the handling of an account because the financial institution:**

35 **(a) Discloses information to the administrator under this section;**

36 **(b) Encumbers or surrenders any assets held by the financial institution in response to**
37 **a notice of lien or levy issued by the administrator; or**

38 **(c) Takes any other action in good faith to comply with the requirements of this section.**

39 *[(a) For any disclosure of information to the administrator under this section;]*

40 *[(b) For encumbering or surrendering any assets held by the financial institution in response to a*
41 *notice of lien or levy issued by the administrator; or]*

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

43 **(7) The department may adopt rules to implement and direct the provision of information**
44 **pursuant to the agreements entered into for automated data exchanges performed by the**
45 **data match system developed and operated under this section.**

1 **SECTION 3.** ORS 25.646 is amended to read:

2 25.646. (1) Upon request of the administrator and the receipt of the certification required under
3 subsection (2) of this section, a financial institution shall provide financial records of a customer
4 **or claimant.**

5 (2) In requesting information under subsection (1) of this section, the administrator shall provide
6 the name and Social Security number of the person whose financial records are sought and shall
7 state with reasonable specificity the financial records requested. The administrator shall provide to
8 the financial institution a signed document in a form established by the Department of Justice cer-
9 tifying that:

10 (a) The person whose financial records are sought is a party to a proceeding to establish, modify
11 or enforce the child support obligation of the person; and

12 (b) The administrator has authorization from the person for release of the financial records, has
13 given the person written notice of its request for financial records or will give the notice within five
14 days after the financial institution responds to the request.

15 (3) The administrator shall reimburse a financial institution supplying financial records under
16 this section for actual costs incurred.

17 (4) A financial institution, including an institution-affiliated party as defined in section 3(u) of
18 the Federal Deposit Insurance Act (12 U.S.C. 1813(u)), that supplies financial records to the admin-
19 istrator under this section is not liable to any person for any loss, damage or injury arising out of
20 or in any way pertaining to the disclosure of the financial records.

21 (5) A financial institution that is requested to supply financial records under this section may
22 enter into an agreement with the administrator concerning the method by which requests for fi-
23 nancial records and responses from the financial institution shall be made.

24 (6) The administrator shall provide a reasonable time to the financial institution for responding
25 to a request for financial records.

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

27 (a) With respect to a person who is a party to a proceeding to establish, modify or enforce the
28 child support obligation of the person; or

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

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