Prepared by the North Dakota Legislative Council
staff for the Welfare Reform Committee
June 1997

STUDY OF THE MONITORING OF NORTH DAKOTA'S WELFARE REFORM IMPLEMENTATION, INCLUDING THE IMPLEMENTATION OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

STUDY DIRECTIVES

The committee has been assigned related study responsibilities as follows:

Monitoring of Welfare Reform Implementation - Section 31 of 1997 House Bill No. 1012 provides for a Legislative Council study of the monitoring of North Dakota's welfare reform implementation efforts to determine the effectiveness of welfare reform. Also, the section provides that the Department of Human Services and persons or parties conducting the review of welfare reform implementation efforts are to periodically report regarding the evaluation of welfare reform.

Attached as Appendix "A" is a copy of Section 31 of 1997 House Bill No. 1012.

Implementation of the Temporary Assistance for Needy Families (TANF) Program Study - Section 82 of 1997 House Bill No. 1226 provides for a Legislative Council study of the implementation of the TANF program. The study is to address the issues of:

- The simplification of all public work programs into a single system;
- Providing a work force preparation and placement program;
- Establishing performance-based outcome measures for all contractors;
- The caseload ratio established in North Dakota Century Code (NDCC) Section 50-09-20.1 (65 cases to one worker);
- The training and expertise of the managers administrating the training, education, employment, and management (TEEM) program; and
- The development of a tiered system of benefit support and incentives.

Attached as Appendix "B" is a copy of Section 82 of 1997 House Bill No. 1226.

Federal Waiver Terminations - North Dakota Century Code Section 50-06-01.8, as amended by 1997 House Bill No. 1226 (Sections 51 and 52), provides that subject to the approval of the Legislative Council, the Department of Human Services may terminate any waiver secured under Section 50-06-01.8(1) if necessary or desirable for the statewide implementation of the TEEM program. The Welfare Reform Committee has been assigned this responsibility by the Legislative Council.

Responsibilities Relating to the Revised Administration of the TANF Program - North Dakota Century Code Section 50-09-29, as created by Section 76 of House Bill No. 1226, provides the requirements for the Department of Human Services administration of the TANF program and provides exceptions to the administrative requirements including:

1. If the secretary of the United States Department of Health and Human Services determines that funds otherwise available for the TANF program would be reduced or eliminated if the department administered the program as provided for in Section 50-09-29(1), the department is to administer the program in a manner that avoids a reduction or loss (subsection 2);
2. If the caseload of households provided assistance exceeds projections provided to the 55th Legislative Assembly, the department, subject to the approval of the Legislative Council, is to administer the TANF program in a manner that avoids spending or committing all funds appropriated prior to June 30, 1999 (subsection 3);
3. If the Department of Human Services determines that an insufficient worker opportunity exists, due to increases in the unemployment rate, to participate in work activities, the department may administer the TANF program in a different manner, subject to the approval of the Legislative Council (subsection 5);
4. If the department determines that administration of the TANF program causes otherwise eligible individuals to become a charge of the counties under NDCC Chapter 50-01, the department may administer the program in a manner that avoids that result, subject to the approval of the Legislative Council (subsection 6); and
5. If projected rates of expenditures for operation of the TANF program indicate the appropriations will be expended or committed prior to June 30, 1999, the department shall administer the TANF program in a manner that avoids

that result, subject to the approval of the Legislative Council.

Attached as Appendix "C" is a copy of 1997 House Bill No. 1226.

1997 LEGISLATIVE ASSEMBLY

House Bill No. 1012

The 1997 Legislative Assembly passed House Bill No. 1012 providing the funding for the Department of Human Services. The bill contains $425,158 of federal funds for an evaluation of the state's implementation of the TANF program by an outside consultant. The bill also appropriates approximately $52 million of federal moneys from the TANF block grant, or approximately $26 million per year.

House Bill No. 1226

House Bill No. 1226 passed by the 1997 Legislative Assembly provides for the administration of the TANF program and welfare reform efforts. The following highlights some of the significant sections included in the bill:

- Section 6 allows the court, in cases where an individual owes past due child support, to require the individual to pay past due support in accordance with a plan approved by the court, participate in work activities, and participate in treatment for mental illness or drug or alcohol dependency.
- Section 7 allows the court to suspend recreational licenses for nonpayment of child support (NDCC Section 14-08.1-06).
- Section 9 establishes a state disbursement unit for the collection and disbursement of payments of child support.
- Section 10 modifies existing child support orders and requirements after September 30, 1998, to provide for payments to the state disbursement unit.
- Section 12 expands the information reporting requirements in child support payment orders to include Social Security number, addresses, telephone number, motor vehicle operator's license number, and employer's name, address, and telephone number.
- Section 14 provides for changes to the required periodic review of child support orders.
- Section 17 provides that child support orders for a minor child include a provision for health insurance coverage.
- Section 18 relates to employer responsibilities to permit enrollment of a child under family health insurance coverage.
- Section 33 requires a court, in a pretrial proceeding, to order child support to be paid if there is evidence of paternity pending a final determination of paternity. If the final determination of paternity results in the nonexistence of a father and child relationship, the father may seek reimbursement from the department for any child support unnecessarily paid.
- Section 46 allows the Department of Human Services to issue executions against the property of a child support debtor for child support arrearages greater than six times the monthly child support obligation.
- Section 47 establishes a new chapter to NDCC Title 34 relating to the state directory of new hires and the employer reporting of new hires to the Department of Human Services.
- Section 48 establishes a new chapter to NDCC Title 35 relating to liens on vehicles, vessels, accounts at financial institutions, and other personal property.
- Section 49 requires applicants to provide Social Security numbers before receiving professional or occupational licenses.
- Sections 51 and 52 relate to the department seeking waivers for the TEEM and TANF programs and the termination of any waivers received, subject to Legislative Council approval, if necessary or desirable for the statewide implementation of the TEEM program.
- Section 56 provides for the establishment of a state case registry of child support cases in the statewide automated data processing system.
- Section 57 provides for the required uses of the statewide automated processing system.
- Section 61 relates to the administrative enforcement of interstate child support cases.
- Section 63 allows the state child support agency, in the administration of the child support program under Title IV-D, to secure assets by issuing writs of execution to seize property from financial institutions, public and private retirement funds, and other benefits.
- Sections 66 and 67 relate to the appropriation of county funds and local expenses of administration of the TANF program (NDCC Section 50-09-20).
- Section 68 relates to reimbursement by the state for county administrative costs of the TANF program and child care assistance program.

- Section 69 amends NDCC Section 50-09-21 to provide that prior to January 1, 1998, the counties will pay 5.2 percent of the statewide program costs of TANF, child care assistance program, and employment and training programs. Section 70 amends Section 50-09-21 to provide that after January 1, 1998, counties will pay one-fourth of the amount expended in this state in excess of the federal funds for payments for children approved and granted foster care for children or subsidized adoption. Each county's share is to be calculated based upon a formula established by the department through consultation with county representatives. The formula is to be based on the most recent census data of the number of youth in each county, with consideration of recent expenditures for foster care in each county.
- Section 73 provides for the transition to the TEEM program and provides that beginning January 1, 1998, the state agency is to convert TANF cases previously administered in the form of AFDC cases to administration in the form of the TEEM program. After July 1, 1998, the state agency is to supervise and direct county administration of all TANF families in the form of the TEEM program.
- Section 74 is effective January 1, 1998, and details the programs funded at the state's expense, including child care assistance, employment and training programs, and TANF benefits.
- Section 76 provides requirements for the Department of Human Services administration of the TANF program, contained in NDCC Section 50-09-29 and attached as Appendix "D".
- Section 83 provides for the establishment of a task force to implement the goals and programs provided for in subdivisions j, k, o, and aa of Section 76 of the Act. The department is to establish a statewide task force including representatives of all relevant parties, including two members of the Legislative Assembly appointed by the chairman of the Legislative Council. The subdivisions relate to out-of-wedlock pregnancies (j), education and training on the problems of statutory rape (k), domestic violence victims (o), and pre-pregnancy family planning services in the TEEM assessment (aa).
- Section 84 provides for the transfer of responsibilities from the clerks of courts to the state disbursement unit by providing intent that from July 1, 1997, to April 1, 1999, the clerks of court and the department share responsibilities and that the department prepare schedules for the transfer of specific responsibilities on a county-by-county and case-by-case basis.

PREVIOUS LEGISLATIVE COUNCIL STUDIES

1995-96 Budget Committee on Human Services

Pursuant to 1995 Senate Bill No. 2035, the Budget Committee on Human Services monitored the Department of Human Services implementation of North Dakota's welfare reform demonstration project during the 1995-96 interim. The bill required the Department of Human Services to seek federal authorization for a welfare reform demonstration project.

TEEM Project

The Department of Human Services provided status reports at each of the committee's meetings regarding the welfare reform demonstration project and the TEEM project. The TEEM project combines benefits under the state's assistance to families with dependent children (AFDC), food stamps, and fuel assistance programs. In addition, TEEM emphasizes employment as a means of attaining self-sufficiency, strengthens the family structure, and emphasizes the responsibility of both parents by improving child support collections. The TEEM project was approved by federal agencies on September 28, 1995, and was planned to be implemented on a phased-in basis in 11 counties by January 1997. The demonstration counties are Adams, Cass, Morton, Ransom, Richland, Sargent, Stark, Steele, Stutsman, Traill, and Williams.

Attached as Appendix "E" is a copy of a Department of Human Services summary of the TEEM project provided during the 1997 Legislative Assembly.

TANF Block Grant

The Department of Human Services also reported to the committee on the status of federal welfare reform. The committee learned Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, on August 22, 1996, which provides the TANF and child care block grants. The TANF block grant replaces the current AFDC program, allows the state to develop its assistance program, and provides North Dakota approximately $26.4 million annually. The legislation includes:

- Requiring a state plan by July 1, 1997;
- A 15 percent cap on state administrative costs;
- Requiring that the legislature appropriate the state's block grant funds;

- Requiring an 80 percent maintenance of effort based on state spending for fiscal year 1994;
- Allowing transfers of block grant moneys of up to 30 percent to the social services block grant and up to 10 percent to the child care block grant;
- Requiring work participation;
- Providing sanctions and penalties against states for failing to meet work participation rates;
- Requiring states to implement child support enforcement requirements; and
- Limiting individual receipt of welfare benefits to a five-year time period.

Attached as Appendix "F" is a Department of Human Services summary of the TANF requirements presented during the 1997 Legislative Assembly.

1993-94 Budget Committee on Human Services

The 1993-94 Budget Committee on Human Services conducted a welfare reform study pursuant to Senate Concurrent Resolution Nos. 4010 and 4067 which resulted in the Department of Human Services submitting a proposal for a welfare reform demonstration project to the United States Department of Health and Human Services entitled the TEEM project.

The committee also recommended two bills, passed by the 1995 Legislative Assembly, to increase child support collections--House Bill No. 1031 to allow the court to suspend a motor vehicle operator's license for nonpayment of child support when the obligor is $1,000 or more in arrears and House Bill No. 1032 establishing a voluntary acknowledgment of paternity procedure to establish paternity early.

STUDY PLAN

Following is a study plan the committee may want to consider as it conducts its study relating to welfare reform implementation:

1. Receive periodic reports from the Department of Human Services regarding the implementation of 1997 House Bill No. 1226 regarding the state's welfare reform effort and the administration of the TANF program, including information on caseloads, unemployment rates and other relevant statistics, TANF expenditure status, the availability of client employment opportunities, and any revisions necessary to the administration of the TANF program.
2. Receive periodic reports from the Department of Human Services and the consultant selected to conduct a review of the state's implementation of its welfare reform efforts.
3. Receive reports by the Department of Human Services on the need for federal waiver terminations that may be necessary for the statewide implementation of the TEEM program.
4. Receive testimony from interested persons, including representatives of the county social service boards, regarding the implementation of the TANF program and the effectiveness of the state welfare reform efforts.
5. Develop recommendations and any related legislation considered necessary to implement the recommendations.
6. Prepare a final report for submission to the Legislative Council.

ATTACH:6

SECTION 31. LEGISLATIVE COUNCIL STUDY - WELFARE REFORM IMPLEMENTATION - DEPARTMENT OF HUMAN SERVICES REPORTING. The legislative council shall consider studying the monitoring of North Dakota's welfare reform implementation efforts to determine the effectiveness of welfare reform during the 1997-98 interim. The department of human services and persons or parties conducting the review shall periodically report to the legislative council, or its designee, regarding the evaluation of welfare reform during the 1997-98 interim.

SECTION 82. LEGISLATIVE COUNCIL STUDY. The legislative council shall study the implementation of the temporary assistance for needy families program in the state during the 1997-98 interim. The study must address the issues of the simplification of all public work programs into a single system, providing a work force preparation and placement program and establishing performance-based outcome measures for all contractors, the caseload ratio established in section 50-09-20.1, the training and expertise of the managers administrating training, education, employment, and management program, and the development of a tiered system of benefit support and incentives. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly.

Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven

HOUSE BILL NO. 1226
(Human Services Committee)
(At the request of the Department of Human Services)

AN ACT to provide temporary requirements for administration of temporary assistance for needy families; to create and enact a new subsection to section 14-03-17, a new section to chapter 14-05, two new sections to chapter 14-08.1, five new sections to chapter 14-09, a new subsection to section 14-17-09, a new section to chapter 14-17, a new subsection to section 14-17-14, a new section to chapter 14-19, a new subsection to section 23-02.1-19, a new section to chapter 28-21, a new chapter to title 34, a new chapter to title 35, a new chapter to title 43, and ten new sections to chapter 50-09 of the North Dakota Century Code, relating to the implementation of federal welfare reform in North Dakota; to amend and reenact sections 11-17-07, 14-08.1-05, 14-08.1-06, 14-08.1-07, 14-09-08.1, 14-09-08.4, 14-09-08.6, 14-09-08.9, 14-09-08.10, 14-09-08.11, 14-09-08.13, 14-09-08.14, 14-09-09.3, subsection 4 of section 14-09-09.7, sections 14-09-09.10, 14-09-09.13, 14-09-09.14, 14-09-09.15, 14-09-09.16, 14-09-09.17, 14-09-09.24, 14-09-09.25, 14-17-10, subsection 4 of section 14-17-13, sections 14-17-16, 14-19-03, 14-19-05, 14-19-06, 14-19-10, subsection 5 of section 23-02.1-13, sections 50-06-01.4, 50-06-01.8, 50-09-01, 50-09-02, 50-09-02.1, 50-09-03, 50-09-06, 50-09-09, 50-09-14, 50-09-20, 50-09-20.1, 50-09-21, 50-09-22, and 50-09-24 of the North Dakota Century Code, relating to the implementation of federal welfare reform in North Dakota; to repeal sections 14-09-09.23, 50-06-06.8, 50-08.1-02, 50-09-16, 50-09-17, 50-09-20, 50-09-20.1, 50-09-21, and 50-09-22 of the North Dakota Century Code, relating to procedures for income withholding and the state and county shares of the cost of the aid to families with dependent children program; to provide a penalty; to provide a continuing appropriation; to provide an appropriation; to provide for a legislative council study; to provide for a statewide task force; to provide for the transfer of responsibilities; to provide for use of program savings and an informal grievance procedure; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-17-07 of the North Dakota Century Code is amended and reenacted as follows:

11-17-07. Decree ~~of~~ <u>or</u> judgment of divorce ~~or~~, annulment<u>, or paternity</u> filed with registrar of vital statistics. The clerk of the district court in which any decree or judgment of divorce ~~or~~, annulment of marriage<u>, or paternity</u> has been entered shall within fifteen days of the filing thereof notify the state registrar of vital statistics of the entry of the decree or judgment of divorce ~~or~~, annulment of marriage<u>, or paternity</u> and shall furnish such information relating thereto as the state registrar may require upon such forms as may be furnished by the state registrar.

SECTION 2. A new subsection to section 14-03-17 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

<u>Each application for a marriage license must contain the social security number of each applicant.</u>

SECTION 3. A new section to chapter 14-05 of the North Dakota Century Code is created and enacted as follows:

<u>**Decree to include social security numbers.**</u> <u>Each decree of divorce must include the social security numbers of the parties to the divorce.</u>

SECTION 4. A new section to chapter 14-08.1 of the North Dakota Century Code is created and enacted as follows:

Definitions. Terms defined in chapter 14-09 have the same meaning when used in this chapter.

SECTION 5. AMENDMENT. Section 14-08.1-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-08.1-05. Support order to be judgment.

1. Any order directing any payment or installment of money for the support of a child is, on and after the date it is due and unpaid:

   a. A judgment by operation of law, with the full force, effect, and attributes of a judgment of the district court, ~~including the ability to be entered in the judgment book pursuant to rule 58 of the North Dakota Rules of Civil Procedure~~ and must be entered in the judgment docket, upon filing by the judgment creditor or the judgment creditor's assignee of a written request accompanied by a verified statement of arrearage or certified copy of the payment records of the clerk of district court maintained under section 14-09-08.1 and an affidavit of identification of the judgment debtor, and otherwise enforced as a judgment;

   b. Entitled as a judgment to full faith and credit in any jurisdiction which otherwise affords full faith and credit to judgments of the district court; and

   c. Not subject to retroactive modification.

2. Failure to comply with the provisions of a judgment or order of the court for the support of a child constitutes contempt of court. All remedies for the enforcement of judgments apply. A party or the party's assignee may also execute on the judgment, and the obligor is entitled only to the exemptions from process set forth in section 28-22-02.

3. This section applies to all child support arrearages, whether accrued before or after the effective date of this section.

SECTION 6. A new section to chapter 14-08.1 of the North Dakota Century Code is created and enacted as follows:

Past due support - Plan of payment - Work activities.

1. In any case in which an individual owes past due child support, the court may, by order, require the individual to:

   a. Pay past due support in accordance with a plan approved by the court or the public authority;

   b. If the individual is subject to such a plan and is not incapacitated, to participate in such work activities as the court deems appropriate; and

   c. Participate in treatment for mental illness or drug or alcohol dependency.

2. For purposes of this section, "work activities" may include:

   a. Unsubsidized employment;

   b. Subsidized private sector employment;

   c. Subsidized public sector employment;

   d. Work experience, including work associated with the refurbishing of publicly assisted housing, if sufficient private sector employment is not available;

e. On-the-job training;

f. Job search and job readiness assistance;

g. Community service programs;

h. Vocational educational training, not to exceed twelve months with respect to any individual;

i. Job skills training directly related to employment;

j. Education directly related to employment, in the case of an individual who has not received a high school diploma or a certificate of high school equivalency;

k. Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of an individual who has not completed secondary school or received such a certificate;

l. The provision of child care services to an individual who is participating in a community service program; and

m. Postsecondary education and any other activity treated by the federal government as work for purposes of calculating a work participation rate under 42 U.S.C. 607(b).

SECTION 7. AMENDMENT. Section 14-08.1-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-08.1-06. Suspension of occupational ~~or~~, professional, or recreational license for nonpayment of child support or failure to obey subpoena. When considering a contempt citation against a child support obligor who is ~~one thousand dollars or more~~ in arrears in child support in an amount greater than three times the monthly child support obligation and the obligor is not current in a court-established plan to repay the unpaid child support arrears, or who has failed, after receiving appropriate notice, to comply with a subpoena relating to a paternity or child support matter, the court shall address and make specific findings on the issue of whether the obligor has or may obtain an occupational ~~or a~~, professional, or recreational certificate, permit, or license that the court may withhold or suspend ~~for failure to pay child support~~. The court may withhold or suspend any certificate, permit, or license issued by or on behalf of the state or any of its licensing authorities or occupational or professional boards, which the obligor is required to obtain prior to engaging in the obligor's occupation or profession. The court may withhold or suspend any certificate, permit, or license issued by lottery or by tag by the director of the game and fish department, which the obligor is required to obtain prior to engaging in a recreational activity. Following a decision to withhold or suspend an obligor's certificate, permit, or license for failure to pay child support, the court shall notify the obligor that the decision becomes final thirty days after the notification unless the obligor satisfies or makes arrangements to pay the entire outstanding payment due. Following a decision to withhold or suspend an obligor's certificate, permit, or license for failure to comply with a subpoena relating to a paternity or child support matter, the court shall notify the obligor that the decision becomes final unless the obligor complies with the subpoena within a time set by the court. The court shall notify the appropriate licensing authority ~~or~~, occupational or professional board, or the director of the game and fish department of the court's decision to withhold or suspend an obligor's certificate, permit, or license. A certificate, permit, or license withheld or suspended by an order issued under this section may be reissued only by order of the court. An appeal by an obligor who has had a certificate, permit, or license suspended under this section is an appeal from the court's order and may not be appealed to the licensing authority ~~or~~, occupational or professional board, or the director of the game and fish department.

SECTION 8. AMENDMENT. Section 14-08.1-07 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-08.1-07. Suspension of motor vehicle operator's license for nonpayment of child support or failure to obey subpoena. When considering a contempt citation against a child support obligor ~~for failure to pay child support and the obligor~~ who is ~~one thousand dollars or more~~ in arrears in child support in an amount greater than three times the monthly child support obligation and the obligor

is not current in a court-established plan to repay the unpaid child support arrears, or who has failed, after receiving appropriate notice, to comply with a subpoena relating to a paternity or child support matter, the court shall determine whether the obligor has a motor vehicle operator's license issued under chapter 39-06. The court may restrict or suspend a motor vehicle operator's license issued by the state which is held by the obligor. The court shall notify the department of transportation of the court's decision to restrict or suspend an obligor's motor vehicle operator's license. An appeal by an obligor who has had a motor vehicle operator's license restricted or suspended under this section is an appeal from the court's order and may not be appealed to the department of transportation. Except for statistical purposes, an entry on the driving record or abstract of a restriction or suspension under this section after the restriction or suspension ceases may not be available to the public other than by order of a court of competent jurisdiction. A suspension under this section is not subject to the financial responsibility reporting requirements.

SECTION 9. A new section to chapter 14-09 of the North Dakota Century Code is created and enacted as follows:

State disbursement unit - Duties - Continuing appropriation.

1. The public authority shall establish a state disbursement unit for the collection and disbursement of payments of child support. The state disbursement unit is responsible for the collection and disbursement of all payments under child support orders.

2. The public authority may contract with any public or private entity for any service provided by the state disbursement unit. The state disbursement unit may employ technology and agents to allow receipt of child support payments at locations and times when state disbursement unit staff are not available.

3. The state disbursement unit shall use automated procedures, electronic processes, and computer-driven technology, including the statewide automated data processing system established under section 50-09-02.1, to the maximum extent feasible, efficient, and economical, for the collection and distribution of child support payments.

4. The state disbursement unit shall account for and disburse all support payments received by it, maintain necessary records, and develop procedures for providing information to the parties, including the obligor and obligee, regarding actions taken and, at least annually, regarding child support payments collected and distributed. The state disbursement unit shall adopt procedures for the maintenance and retention of records of child support payments, and for the storage and destruction of records when the support obligation is satisfied or is terminated.

5. The state disbursement unit shall establish a fund, known as the state disbursement unit fund. All child support payments received, except those payments assigned to the state, shall be deposited into the state disbursement unit fund, and all disbursements of child support, except those payments assigned to the state, must be made from the state disbursement unit fund.

6. The state disbursement unit shall disburse collected child support payments in conformity with title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.].

7. Unless notice has otherwise been provided, the state disbursement unit shall provide notice to the obligor, the obligee, and any income payor that payment must be made to the state disbursement unit.

SECTION 10. A new section to chapter 14-09 of the North Dakota Century Code is created and enacted as follows:

Modification of existing child support orders - Requirements after September 30, 1998.

1. A child support order issued under any provision of this code and in effect on October 1, 1998, is deemed to require payment to the state disbursement unit after September 30, 1998.

2. A child support order issued under any provision of this code after September 30, 1998, must require payment to the state disbursement unit.

3. A payment of child support received by a clerk of court after September 30, 1998, is deemed to be a payment to the state disbursement unit. A clerk of court receiving such child support payment after September 30, 1998, shall promptly remit or transfer that payment to the state disbursement unit.

SECTION 11. A new section to chapter 14-09 of the North Dakota Century Code is created and enacted as follows:

State disbursement unit fund - Continuing appropriation - Correction of errors. All moneys deposited in the state disbursement unit fund are appropriated to the public authority for disbursement to obligees entitled to child support payments collected. Any disbursement made in error is not a gift and must be repaid. The public authority may take any action, not inconsistent with title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.] to secure repayment of any disbursement made in error.

SECTION 12. AMENDMENT. Section 14-09-08.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-08.1. Support payments - Payment to court or state disbursement unit - ~~Transfer of payment to court of recipient's residence~~ - Transfer of proceedings for enforcement of decree - Procedures upon failure to pay.

1. In any action in which a court orders that payments for child support be made, the court shall provide in its order that the payments be paid to the clerk of court, as trustee, or to the public authority, for remittance to the obligee. ~~The clerk shall remit the payments within ten working days of receipt unless the address of the obligee is unknown to the clerk.~~ The clerk shall maintain records listing the amount of the payments, the date when the payments must be made, the names and addresses of the parties subject to the order, and any other information necessary for the proper administration of the order~~. Upon the filing with~~ in the statewide automated data processing system established under section 50-09-02.1. Before the system implementation date, upon notification that a party to the case is receiving services under title IV-D of the Social Security Act [42 U.S.C. 651 et seq.], or an assignment of support rights is in effect, the clerk of court ~~of notice of the assignment of support rights to a state, payments must be credited and transmitted pursuant to the assignment and~~ must credit and transmit payments in conformity with title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651~~,~~ et seq., as amended].

2. a. ~~The parties~~ Each party subject to the order shall immediately inform the clerk of court and the public authority of ~~their social security numbers and of~~ the party's:

   (1) Social security number;

   (2) Residential and mailing addresses and any change of address ~~or change~~;

   (3) Telephone number;

   (4) Motor vehicle operator's license number;

   (5) Employer's name, address, and telephone number; and

   (6) Change of any other condition which may affect the proper administration of this chapter.

b. The requirements of subdivision a must be incorporated into each order for payment of child support.

c. In any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of a party, service may be effected by delivery of written notice to the most recent residential or employer address provided by the noticed party pursuant to this subsection.

d. The requirements of this subsection continue in effect until all child support obligations have been satisfied with respect to each child subject to the order.

3. Whenever there is failure to make the payments as required, the clerk shall send notice of the arrears by first-class mail, with affidavit of service, to the person required to make the payments, or request a district judge of the judicial district, on a form provided by the judge, to issue a citation for contempt of court against the person who has failed to make the payments and the citation must be served on that person as provided by the North Dakota Rules of Civil Procedure.

4. The court of its own motion or on motion of a child support agency or the state's attorney of the county of venue, the county of the recipient's residence, or the county of the obligor's residence may cause a certified copy of any support order in the action to be transcribed and filed with the clerk of the district court of any county in this state in which the obligee or the obligor may reside from time to time. Thereafter, ~~the provisions of~~ this section ~~apply~~ applies as if the support order were issued by the district court of the county to which the support order is transcribed. No fee may be charged for transcribing or filing a certified copy of any support order under this section.

5. The clerk of court, at the option of the clerk, may deposit payments received by the clerk under this section, and not required to be paid to the state disbursement unit, in a special trust account in either the Bank of North Dakota or in a banking institution of this state designated as a depository of public funds under chapter 21-04 and make payments from the trust account to the obligee or the clerk may deposit payments received by the clerk under this section with the county treasurer and direct their disbursement under chapter 11-14.

SECTION 13. AMENDMENT. Section 14-09-08.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-08.1. Support payments - Payment to ~~court - Transfer of payment to court of recipient's residence~~ state disbursement unit - Transfer of proceedings for enforcement of decree - Procedures upon failure to pay.

1. In any action in which a court orders that payments for child support be made, the court shall provide in its order that the payments be paid to the ~~clerk of court, as trustee,~~ state disbursement unit for remittance to the obligee. ~~The clerk shall remit the payments within ten working days of receipt unless the address of the obligee is unknown to the clerk. The clerk shall maintain records listing the amount of the payments, the date when the payments must be made, the names and addresses of the parties subject to the order, and any other information necessary for the proper administration of the order. Upon the filing with the clerk of court of notice of the assignment of support rights to a state, payments must be credited and transmitted pursuant to the assignment and in conformity with title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651, et seq., as amended].~~

2. a. ~~The parties~~ Each party subject to the order shall immediately inform the ~~clerk~~ state disbursement unit of ~~their social security numbers and of~~ the party's:

   (1) Social security number;

(2) Residential and mailing addresses and any change of address ~~or change~~;

(3) Telephone number;

(4) Motor vehicle operator's license number;

(5) Employer's name, address, and telephone number; and

(6) Change of any other condition which may affect the proper administration of this chapter.

b. The requirements of subdivision a must be incorporated into each order for payment of child support.

c. In any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of a party, service may be effected by delivery of written notice to the most recent residential or employer address provided by the noticed party pursuant to this subsection.

d. The requirements of this subsection continue in effect until all child support obligations have been satisfied with respect to each child subject to the order.

3. Whenever there is failure to make the payments as required, the ~~clerk~~ state disbursement unit shall send notice of the arrears by first-class mail, with affidavit of service, to the person required to make the payments, or request a district judge of the judicial district, on a form provided by the judge, to issue a citation for contempt of court against the person who has failed to make the payments and the citation must be served on that person as provided by the North Dakota Rules of Civil Procedure.

4. The court of its own motion or on motion of a child support agency or the state's attorney of the county of venue, the county of the recipient's residence, or the county of the obligor's residence may cause a certified copy of any support order in the action to be transcribed and filed with the clerk of the district court of any county in this state in which the obligee or the obligor may reside from time to time. Thereafter, ~~the provisions of~~ this section ~~apply~~ applies as if the support order were issued by the district court of the county to which the support order is transcribed. No fee may be charged for transcribing or filing a certified copy of any support order under this section.

~~5. The clerk of court, at the option of the clerk, may deposit payments received by the clerk under this section in a special trust account in either the Bank of North Dakota or in a banking institution of this state designated as a depository of public funds under chapter 21-04 and make payments from the trust account to the obligee or the clerk may deposit payments received by the clerk under this section with the county treasurer and direct their disbursement under chapter 11-14.~~

SECTION 14. AMENDMENT. Section 14-09-08.4 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-08.4. Periodic review of child support orders.

1. Each child support order must be reviewed by the child support agency no less frequently than thirty-six months after the establishment of the order or the most recent amendment or review of the order by the court or child support agency unless:

a. In the case of an order with respect to which there is in effect an assignment under ~~section 50-09-06 or 50-09-06.1, subsection 2 of section 50-24.1-02, or section 50-24.1-02.1~~ chapter 50-09 or 50-24.1, the child support agency has determined that a review is not in the best interests of the child and neither the obligor nor the obligee has requested review; or

b. In the case of any other order neither the obligor nor the obligee has requested review.

2. Each child support order, in which there is in effect an assignment under chapter 50-09 or with respect to which either the obligor or the obligee has requested review, must be reviewed by the child support agency if:

a. More than twelve months have passed since the establishment of the order or the most recent amendment or review of that order by the court or child support agency, whichever is later; and

b. The order provides for no child support and was based on a finding that the obligor has no ability to pay child support.

3. If, upon review, the child support agency determines that the order provides for child support payments in an amount that is inconsistent with the amount that would be required by the child support guidelines established under subsection 1 of section 14-09-09.7, the child support agency may seek an amendment of the order. If the order provides for child support payments in an amount less than eighty-five percent of the amount that would be required by those guidelines, the child support agency shall seek an amendment of the order.

~~3.~~ 4. If a child support order sought to be amended was entered at least one year before the filing of a motion or petition for amendment, the court shall order the amendment of the child support order to conform the amount of child support payment to that required under the child support guidelines, whether or not the motion or petition for amendment arises out of a periodic review of a child support order, and whether or not a material change of circumstances has taken place, unless the presumption that the correct amount of child support would result from the application of the child support guidelines is rebutted. If a motion or petition for amendment is filed within one year of the entry of the order sought to be amended, the party seeking amendment must also show a material change of circumstances.

~~4.~~ 5. A determination that a child who is the subject of a child support order is eligible for benefits furnished under subsection 18 or 20 of section 50-06-05.1, chapter 50-09, or chapter 50-24.1, or any substantially similar program operated by any state or tribal government, constitutes a material change of circumstances. The availability of health insurance at reasonable cost to a child who is the subject of a child support order constitutes a material change of circumstances. The need to provide for a child's health care needs, through health insurance or other means, constitutes a material change of circumstances.

SECTION 15. AMENDMENT. Section 14-09-08.6 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-08.6. Obligor's duties upon review - Failure to provide information.

1. The obligor shall provide information to the child support agency concerning the obligor's income, which is sufficient to accomplish the review, no later than five working days before the date of review. The information must be furnished by:

a. Providing an income report, in the form and manner required by the child support agency, accurately completed and attested to by the obligor;

b. Providing a verified copy of the latest income tax return, filed with the internal revenue service or any state official administering a state income tax, which accurately reports the obligor's income for a fiscal year ending no more than seventeen months prior to the date of the review; or

c. Providing a written authorization by which the child support agency may secure a verified copy of the latest income tax return, filed with the tax commissioner, which

accurately reports the obligor's income for a fiscal year ending no more than seventeen months prior to the date of review.

2. ~~If information concerning the obligor's income sufficient to accomplish the review has not been received by the child support agency by the fifth working day before the date of review, the child support agency shall provide to the tax commissioner an affidavit stating the obligor's name and address, that a review of the obligor's child support obligation is pending, that notice requesting income information has been given as required by law, and that the required information has not been furnished on a timely basis. Notwithstanding the provisions of section 57-38-57 or other confidentiality statutes, upon receipt of an affidavit provided for in this subsection, the tax commissioner may provide to a child support agency a verified copy of the latest income tax return, filed with the office of the commissioner, which reports the obligor's income. The information obtained by a child support agency from the tax commissioner, in accordance with this section, retains its confidentiality and may only be used by a child support agency in the pursuit of its child support collection duties and practices. The tax commissioner may require a child support agency to make assurances, satisfactory to the commissioner, that the agency has the ability to comply with this subsection.~~

~~3.~~ If information concerning the obligor's income sufficient to accomplish the review has not been timely furnished by the obligor ~~and is not available from the office of the tax commissioner~~, the child support agency may apply to the court for an order compelling the obligor to furnish information sufficient to accomplish the review.

~~4.~~ 3. If an application to the court made pursuant to subsection ~~3~~ 2 has not resulted in the production of information concerning the obligor's income sufficient to accomplish the review, the child support agency may base its review determination on the assumption that the obligor's income has increased at the rate of ten percent per year since the child support order under review was entered or last modified.

SECTION 16. AMENDMENT. Section 14-09-08.9 of the North Dakota Century Code is amended and reenacted as follows:

14-09-08.9. Request for review - Notice of right to request review. An obligor or an obligee may request review under section 16 of chapter 148 of the 1989 Session Laws or section 14-09-08.4, by applying to the child support agency for child support services, and indicating, in the manner there provided, a desire to have a child support order reviewed. Each judgment or order issued by a court in this state which includes an order for child support must include a statement advising of the right to request a review under this section. If a party to a child support matter is receiving services from the child support agency and an order for current child support has issued out of that matter, the child support agency shall provide notice of the right to request a review or further review of that child support order, to the obligor and obligee, not more than three years after the most recent child support order, review of that child support order, or notice of right to request a review of that child support order.

SECTION 17. AMENDMENT. Section 14-09-08.10 of the North Dakota Century Code is amended and reenacted as follows:

14-09-08.10. Order. Each order entered under this code for the support of a minor child must include a provision for health insurance coverage for that child.

1. ~~Unless the obligee has comparable or better group dependent health insurance coverage available at no or nominal cost, the court shall order the obligor to name the minor child as beneficiary on any health insurance plan that is available to the obligor at no or nominal~~ Except as provided in subsection 2, the order must require the obligor to provide satisfactory health insurance coverage whenever that coverage is available at reasonable cost or becomes available at reasonable cost.

2. ~~If the court finds that dependent health insurance is not available to the obligor or the obligee at no or nominal cost, the court may require the obligor to obtain dependent health insurance, or to be liable for reasonable and necessary medical expenses of the child.~~ If

the obligee is an individual with physical custody of the child, the obligee must be required to provide satisfactory health insurance whenever that coverage is available at no or nominal cost.

SECTION 18. AMENDMENT. Section 14-09-08.11 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-08.11. Eligible child - Employer to permit enrollment.

1. When an obligor is required to cover a minor child as a beneficiary under section 14-09-08.10, the child is eligible for health insurance coverage as a dependent of the obligor until the child's eighteenth birthday or until further order of the court. If health insurance coverage required under section 14-09-08.10 is available through an income payer, the income payer must:

~~1.~~ a. Permit the obligor to enroll under family coverage any child who is otherwise eligible for coverage without regard to any open enrollment restrictions~~.~~;

~~2.~~ b. If the obligor is enrolled but fails to make application to obtain coverage for the child, enroll the child under family coverage upon application by the obligee~~.~~;

c. If the obligor is enrolled but fails to make application to obtain coverage for the child, enroll the child under family coverage upon application to the public authority, subject to subsection 2, whenever the child receives:

(1) Benefits through a demonstration project established under section 50-06-01.8, temporary assistance for needy families or foster care under chapter 50-09, or medical assistance under chapter 50-24.1; or

(2) Services provided upon application of an obligee to the child support agency;

~~3.~~ d. Not disenroll or eliminate coverage for any child unless the income payer is provided satisfactory written evidence that:

~~a.~~ (1) The order issued under section 14-09-08.10 is no longer in effect;

~~b.~~ (2) The child is or will be enrolled in comparable coverage that will take effect no later than the effective date of disenrollment; or

~~c.~~ (3) The income payer has eliminated family health coverage for all of its employees; ~~and~~

~~4.~~ e. Withhold from the obligor's compensation the obligor's share, if any, of premiums for health insurance coverage and pay this amount to the health insurance provider~~.~~; and

~~5.~~ f. If the amount required to be withheld under ~~subsection 4~~ subdivision e, either alone or when added to the total of any withholding required by an order issued under section 14-09-09.15, exceeds fifty percent of the obligor's disposable income, withhold fifty percent of the obligor's disposable income.

2. Before making application under subdivision c of subsection 1, the public authority shall provide notice to the obligor that the obligor may contest the proposed application by filing a written request for a hearing within ten days of the date the notice is issued. If the obligor contests the application for coverage, a hearing must be held, and the court shall require the public authority to make application if it determines coverage for the child is available to the obligor at reasonable cost.

3. Withholding required by an order issued under section 14-09-09.15 must be satisfied before any payment is made to the health insurance provider. If the amount remaining is insufficient to pay the obligor's share of premiums for health insurance coverage, the obligor may authorize additional withholding to pay the obligor's share. If the obligor does

not authorize additional withholding, and the health insurance coverage will lapse as a result, the income payer must promptly inform the clerk of court that issued the order under section 14-09-09.15 of the insufficiency.

SECTION 19. AMENDMENT. Section 14-09-08.13 of the North Dakota Century Code is amended and reenacted as follows:

14-09-08.13. Application for service. The child support agency responsible for support enforcement shall take necessary steps to implement, modify, and enforce an order for dependent health insurance whenever the children receive ~~aid to families with dependent children~~ benefits through a demonstration project established under section 50-06-01.8, temporary assistance for needy families or foster care under chapter 50-09 or medical assistance under chapter 50-24.1, or upon application of the obligee to the child support agency and payment by the obligee of any required application fee.

SECTION 20. AMENDMENT. Section 14-09-08.14 of the North Dakota Century Code is amended and reenacted as follows:

14-09-08.14. Public authority to establish criteria. The public authority shall establish criteria to identify cases involving children who received ~~aid to families with dependent children~~ benefits through a demonstration project established under section 50-06-01.8, temporary assistance for needy families or foster care under chapter 50-09 or medical assistance under chapter 50-24.1, or where an application to the child support agency has been completed by an obligee and where there is a high potential for obtaining medical support based on:

1. Evidence that health insurance may be available to the obligor at reasonable cost; and

2. Facts that are sufficient to warrant modification of the existing court order to include health insurance coverage for a dependent child.

SECTION 21. A new section to chapter 14-09 of the North Dakota Century Code is created and enacted as follows:

Coordination of income withholding activities. The public authority shall assume responsibility for administration of income withholding and the receipt and disbursement of child support payments.

SECTION 22. AMENDMENT. Section 14-09-09.3 of the North Dakota Century Code is amended and reenacted as follows:

14-09-09.3. Child support - Duties and liabilities of income payor under income withholding order.

1. Any income payor failing to comply with any requirements in section 14-09-09.16 may be punished by the court for civil contempt. The court shall first afford such income payor a reasonable opportunity to purge itself of such contempt.

2. Any income payor who fails or refuses to deliver income pursuant to an income withholding order, when such income payor has had in its possession such income, is personally liable for the amount of such income which the income payor failed or refused to deliver, together with costs, interest, and reasonable attorney's fees.

3. Any employer who refuses to employ, dismisses, demotes, disciplines, or in any way penalizes an ~~obligor employee~~ obligor on account of any proceeding to collect child support, on account of any order or orders entered by the court in such proceeding, on account of the employer's compliance with such order or orders, or on account of an income withholding order, is liable to the ~~obligor employee~~ obligor for all damages, together with costs, interest thereon, and reasonable attorney's fees resulting from the employer's action. The employer may be required to make full restitution to the aggrieved ~~obligor employee~~ obligor, including reinstatements and backpay.

4. An income payor may be enjoined by a court of competent jurisdiction from continuing any action in violation of section 14-09-09.16.

5. Any proceeding against an income payor under this section must be commenced within ninety days after the income payor's act or failure to act upon which such proceeding is based.

6. Compliance by an income payor with an income withholding order operates as a discharge of the income payor's liability to the obligor as to that portion of the obligor's income so affected.

7. In considering an income withholding order issued by a court or administrative tribunal in a state other than the state of the obligor's principal place of employment, the income payor shall apply the law of the state of the obligor's principal place of employment in determining any withholding terms and conditions not specified in the income withholding order or in section 14-12.2-33.1.

8. An employer who complies with an income withholding order that is regular on its face is not subject to civil liability to any individual or agency for conduct in compliance with the order.

SECTION 23. AMENDMENT. Subsection 4 of section 14-09-09.7 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4. The department shall ~~review~~ institute a new rulemaking proceeding under section 28-32-02 relating to the child support guidelines ~~periodically, as the department determines necessary, but at least once every four years,~~ to ensure that the application of the guidelines results in the determination of appropriate child support award amounts. The initial rulemaking proceeding must be commenced with a notice of proposed adoption, amendment, or repeal by August 1, 1998, and subsequent rulemaking proceedings must be so commenced at least once every four years thereafter. Before commencing any rulemaking proceeding under this section, the department shall convene a drafting advisory committee that includes two members of the legislative assembly appointed by the chairman of the legislative council.

SECTION 24. A new section to chapter 14-09 of the North Dakota Century Code is created and enacted as follows:

Monthly amount due. The total amount of child support due in each month is the sum of:

1. The obligor's current monthly support obligation; and

2. a. The amount the obligor is ordered to pay toward any outstanding arrearage; or

   b. If no order to repay an arrearage exists, an amount for application to any arrearage, subject to the limitations of section 14-09-09.16, equal to:

      (1) Twenty percent of the obligor's current monthly support obligation; or

      (2) If there is no current monthly support obligation, the most recent monthly support obligation.

SECTION 25. AMENDMENT. Section 14-09-09.10 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-09.10. Definitions. For the purposes of this chapter, unless the context or subject matter otherwise requires:

1. "Business day" means every day that is not a Saturday or legal holiday.

2. "Child support" means payments for the support of children and combined payments for the support of children and spouses or former spouses, however denominated, if the

payment is required by the order of a court or other governmental agency having authority to issue such orders.

~~2.~~ 3. "Child support agency" means the county social service board, any combination of county social service boards, or any entity created by a county social service board or any combination of county social service boards, in execution of the county social service board's duties under subsection 5 of section 50-09-03.

~~3.~~ 4. "Delinquent" means a situation which occurs on the first working day after the day upon which a child support payment was identified as due and unpaid, and the total amount of unpaid child support is at least equal to the amount of child support payable in one month.

~~4.~~ 5. "Disposable income" means gross income less deductions required by law for taxes and social security.

6. "Employer" means income payor.

~~5.~~ 7. "Health insurance" includes fees for service, health maintenance organization, preferred provider organization, comprehensive health association plan, accident and health insurance policies, group health plans as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 [Pub. L. 99-272; 100 Stat. 281; 29 U.S.C. 1167(1)], and other types of coverage under which major medical coverage may be provided in a policy, plan, or contract which may legally be sold or provided in this state.

~~6.~~ 8. "Income" means any form of payment, regardless of source, owed to an obligor, including any earned, unearned, taxable or nontaxable income, workers' compensation, disability benefits, unemployment compensation benefits, annuity and retirement benefits, but excluding public assistance benefits administered under state law.

~~7.~~ 9. "Income payor" means any person, partnership, firm, corporation, limited liability company, association, political subdivision, or department or agency of the state or federal government owing income to an obligor and includes an obligor if the obligor is self-employed.

~~8.~~ 10. "Obligee" means a person including a state or political subdivision to whom a duty of support is owed.

~~9.~~ 11. "Obligor" means any person owing a duty of support.

12. "Past due support" means child support that is not paid by the earlier of:

a. The date a court order or an order of an administrative process established under state law requires payment to be made; or

b. The last day of the month or other period the payment was intended to cover.

~~10.~~ 13. "Payday" means the day upon which the income payor pays or otherwise credits the obligor.

14. "Public authority" means the department of human services in execution of its duties pursuant to ~~subsection 12 of section 50-09-02~~ the state plan submitted under chapter 50-09 in conformance with title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.].

15. "System implementation date" means the date the public authority certifies to the secretary of state and the legislative council that the statewide automated data processing system, established under section 50-09-02.1, is operating.

SECTION 26. AMENDMENT. Section 14-09-09.13 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-09.13. Procedure - Notice to obligor. If immediate income withholding under section 14-09-09.24 has not been implemented and an obligor is delinquent, if an obligee's request for income withholding is approved, or if a court changes its finding that there is good cause not to require immediate income withholding, the clerk of court ~~shall serve a notice and a copy of section 14-09-09.14 on the obligor by first class mail. The notice must be sent within five working days of the appropriate date under subsection 7 if the obligor's address is known to the clerk on that date or, if the address is unknown on that date, within five working days after the clerk is informed of the obligor's address~~ or public authority shall serve the notice required under this section upon the obligor whenever issuing an income withholding order. The notice must state:

1. That the obligor is delinquent in the payment of child support, that a request for withholding has been made by the obligee and approved by a child support agency, or that there is no longer good cause not to require immediate income withholding, as the case may be, and the obligor is therefore subject to an income withholding order on all income.

2. The amount of child support owed and the amount of arrearage, if any.

3. The total amount of money that will be withheld by the income payor from the obligor's income in each month ~~and that the amount is the sum of both of the following:~~

   ~~a. The obligor's current monthly support obligation.~~

   ~~b. The amount the obligor is ordered to pay toward any outstanding arrearage, or if no order to repay an arrearage exists, then an amount equal to twenty percent of the obligor's current monthly support obligation, if any, or equal to the most recent monthly support obligation if there is no current monthly support obligation, for application towards any arrearage subject to the limitations of section 14-09-09.16~~ as determined under section 24 of this Act.

4. That the income payor may withhold an additional sum of three dollars to cover the income payor's expenses.

5. That ~~if not contested pursuant to section 14-09-09.14,~~ the income withholding order ~~will be~~ has been issued ~~immediately,~~ without further order of the court.

6. That the obligor may contest the issuance of the income withholding order by filing a written request for hearing within ten days of the date of the notice made under this section.

7. That if the obligor contests the income withholding order pursuant to section 14-09-09.14, a hearing will be held and the court will determine and issue an order consistent with the requirements of section 14-09-09.14.

8. That the income withholding order applies to any current or subsequent income payor or period of employment.

~~9. The date the income of the obligor is subject to income withholding, which is the earliest of:~~

   ~~a. The date the obligor requests income withholding.~~

   ~~b. The date on which an approved income withholding request is made by the obligee.~~

   ~~c. The date the child support obligation becomes delinquent.~~

SECTION 27. AMENDMENT. Section 14-09-09.14 of the North Dakota Century Code is amended and reenacted as follows:

14-09-09.14. Hearing upon obligor's request.

1. If the obligor files a request for a hearing within ten days of the date of the notice made pursuant to section 14-09-09.13, the court shall hold a hearing within ten working days after the date of the request. ~~If~~

a. The court may order that the income withholding order be withdrawn if at the hearing the obligor establishes:

~~a.~~ (1) In a case where withholding would be based on an alleged delinquency, that there has been a mistake in the identity of the obligor; or

~~b.~~ (2) In a case where an approved request for withholding has been made by the obligee, that the approval of the request constituted an abuse of discretion~~;~~.

~~the court may order that no income withholding order issue.~~

b. If at the hearing the obligor establishes that there is an overstatement in the amount of support stated to be owed by the obligor, the court may amend the amount to be withheld.

c. In the absence of a finding of a mistake of fact in a case where withholding would be based on an alleged delinquency, or in the absence of an abuse of discretion in the approval of an obligee's request for withholding, the court shall ~~order that~~ confirm the income withholding order ~~issue~~. Payment of ~~overdue~~ past due support after issuance of notice under section 14-09-09.13 may not be the basis for an order that ~~no~~ the income withholding order ~~issue~~ be withdrawn.

2. An obligor is not precluded, by subsection 1, from seeking appropriate relief from a judgment or order affecting a child support obligation nor is the court precluded from granting such relief. An obligor's request for such relief, whether made by motion under rule 60(b) of the North Dakota Rules of Civil Procedure or otherwise, may not be considered during the hearing described in subsection 1.

SECTION 28. AMENDMENT. Section 14-09-09.15 of the North Dakota Century Code is amended and reenacted as follows:

14-09-09.15. Form - Effect of income withholding order. The income withholding order must be issued in the name of the state of North Dakota, be attested in the name of the judge, ~~sealed with the seal of the court,~~ subscribed by the clerk or a designee of the public authority, and directed to all current and subsequent income payors of the obligor. The income withholding order is binding on the income payor until further notice by the clerk or the public authority and applies to all current and subsequent periods in which income is owed the obligor by the income payor. The income withholding order has priority over any other legal process against the same income.

SECTION 29. AMENDMENT. Section 14-09-09.16 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-09.16. Service of income withholding order on income payor. The clerk of court or the public authority shall serve the income withholding order ~~and a copy of sections 14-09-09.3 and 14-09-09.15~~ on the income payor in the manner provided for service of a summons in a civil action and upon the obligor by first-class mail to the obligor's last known address~~, within fifteen days of the date of the notice made pursuant to section 14-09-09.13, unless the obligor has contested that notice within ten days of the date of that notice. If a hearing was held under section 14-09-09.14, the income withholding order and the copy of sections 14-09-09.3 and 14-09-09.15 must be served within five working days of the date of the court's determination~~. If the obligor is subject to immediate income withholding under section 14-09-09.24, an income withholding order ~~and a copy of sections 14-09-09.3 and 14-09-09.15~~ must be served on any known income payor within five ~~working~~ business days of the issuance of the judgment or order which requires the payment of child support. Subject to the provisions of section 14-09-09.17, if service of an income withholding order has been or may have been properly made under this section, an income withholding order ~~and a copy of sections 14-09-09.3 and 14-09-09.15~~ must be served on any subsequently identified income payor within five ~~working~~ business days after the ~~clerk~~ issuer is informed of the name and address of such an income payor. An income withholding order may also be issued and served at the request of the obligor. The income withholding order ~~shall~~, upon certification by the public authority to the secretary of state and the legislative council that the secretary of the United States department of health and human services, under authority of 42

U.S.C. 666(b)(6)(A)(ii), has prescribed a standard format for notice of the order, must be in that standard format and contain only the information necessary for the income payor to comply with the withholding order. Before that certification, the income withholding order must state all of the following:

1. That the obligor is properly subject to an income withholding order and that the income payor is therefore required to withhold a stated amount, determined under ~~subsection 3 of~~ section ~~14-09-09.13~~ 24 of this Act, from the obligor's income at the time the obligor is paid for transmittal to the clerk of court or the public authority within ~~ten working~~ seven business days of the date the obligor is paid, together with a report of the date upon which the amount was withheld from the obligor's income.

2. That the income payor may also withhold and retain an additional sum of three dollars per month from the obligor's income to cover expenses involved in transmitting payment.

3. That the amount to be withheld, including amounts to cover expenses involved in transmitting payment, may not exceed fifty percent of the obligor's disposable income from this income payor, but a payment of an amount less than the ordered amount must be accompanied by a written calculation disclosing any of the obligor's income and disposable income which is payable by the income payor.

4. That the income payor shall begin withholding no later than the first ~~pay period~~ payday that occurs ~~fourteen days~~ after service of the income withholding order.

5. That if the income payor is served with more than one income withholding order issued under this chapter on a single obligor and the combined total amount to be paid under the income withholding orders exceeds fifty percent of the obligor's disposable income the income payor shall withhold the maximum amount permitted, and transmit to the clerk of court or the public authority that portion thereof which the obligee's claim bears to the combined total of all claims.

6. That the income payor shall notify the clerk of court or the public authority in writing of the termination of a duty to pay income to the obligor within ~~fifteen~~ seven business days of ~~such~~ the termination. ~~Such~~ The notification must include the name and address of the obligor's subsequent income payor, if known.

7. That if the income payor is subject to income withholding orders for more than one obligor:

   a. Prior to the system implementation date, the income payor may combine in a single payment the amounts for all obligors who have been ordered to pay the same clerk of court with identification of the amount attributable to each obligor; and

   b. Thereafter the income payor may combine in a single payment the amounts for all obligors who have been ordered to pay the public authority with identification of the amount attributed to each obligor.

8. That failure to comply with the income withholding order will subject the income payor to penalties provided under section 14-09-09.3.

9. That the withholding order has priority over any other legal process under state law against the same wages.

10. If appropriate, that the obligor is required to provide health insurance coverage for a child who is the subject of a child support order.

~~11. When an obligor employed by an income payor terminates that employment, the income payor must promptly so notify the clerk and provide the obligor's last known address and the name and address of the obligor's new employer, if known.~~

SECTION 30. AMENDMENT. Section 14-09-09.17 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-09-09.17. Amendment - Termination of income withholding order. Upon amendment or termination of an income withholding order, the clerk of court or the public authority shall send appropriate notice to the income payor. An income withholding order is to be amended by the clerk or the public authority when the total amount of money to be withheld is changed by elimination of arrearages or by court-ordered change in amount of child support. An income withholding order is to be terminated when the duty to support ceases and all child support arrearages have been paid. When two or more income payors have been subjected to income withholding orders with respect to a child support obligation, the clerk or the public authority shall suspend the income withholding order directed to one or more income payors, provided that the amount of child support withheld by the remaining income payor or payors equals the amount determined under ~~subsection 3 of~~ section ~~14-09-09.13~~ 24 of this Act. The clerk or the public authority shall immediately reinstate any suspended income withholding order should any child support obligation of the obligor thereafter become delinquent. The clerk or the public authority shall provide a copy of the reinstated income withholding order, by first-class mail, to the obligor and the income payor.

SECTION 31. AMENDMENT. Section 14-09-09.24 of the North Dakota Century Code is amended and reenacted as follows:

14-09-09.24. Immediate income withholding.

1. Except as provided in subsection 2, each judgment or order which requires the payment of child support, issued or modified on or after January 1, 1990, subjects the income of the obligor to income withholding, regardless of whether the obligor's support payments are delinquent.

2. If a party to a proceeding, who would otherwise be subject to immediate income withholding under subsection 1, demonstrates, and the court finds that there is good cause not to require immediate withholding, or if the parties, including any assignee of support rights, reach a written agreement that provides for an alternative arrangement for assuring the regular payment of child support, the court need not subject the income of the obligor to immediate withholding.

3. A finding that there is good cause not to require immediate income withholding must be based on at least:

   a. A written determination that, and an explanation of why, implementing immediate income withholding would not be in the best interests of the child;

   b. Proof of timely payment of previously ordered support; and

   c. ~~Requirement~~ A requirement that the obligor keep the clerk and the public authority informed of ~~the name and address of each of the obligor's current and future income payers and of~~ any employment-related health insurance to which the obligor has access.

4. A written agreement for an alternative arrangement for assuring the regular payment of child support is effective only if the agreement at least, in addition to other conditions the parties agree to:

   a. Provides that the obligor shall keep the clerk and the public authority informed of ~~the name and address of each of the obligor's current and future income payers and of~~ any employment-related health insurance to which the obligor has access~~.~~;

   b. Describes the provisions by which regular payment of child support is assured; and

   c. Is reviewed and approved by the court and entered into the court's records.

SECTION 32. AMENDMENT. Section 14-09-09.25 of the North Dakota Century Code is amended and reenacted as follows:

14-09-09.25. Requests by obligee for income withholding - Approval - Procedures and standards.

1. An obligee may apply to a child support agency for approval of an income withholding request. The income of the obligor becomes subject to income withholding on the date an approved request is made.

2. The public authority shall establish procedures and standards for the approval of obligee requests for income withholding. The standards established must include consideration of:

   a. An obligor's threat to discontinue child support payments; and

   b. An obligor's having made child support payments sufficient to avoid a delinquency, but insufficient to conform to the ordered amount.

3. Upon application of an obligee requesting income withholding, the child support agency shall promptly approve or disapprove the request. The child support agency may not approve the obligee's request in a case where the court has determined that there is good cause not to require immediate income withholding unless the court first changes its determination. ~~Each approved request must be transmitted promptly to the clerk of court.~~

SECTION 33. A new subsection to section 14-17-09 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

In any pretrial proceeding, upon motion by any party, the court shall order child support to be paid pending a final determination of paternity if there is clear and convincing evidence of paternity, based on genetic tests or otherwise. If the action is brought at the direction of the department of human services and the final determination of paternity results in the nonexistence of a father and child relationship between the child and a party who was ordered to pay child support under this subsection, that party may seek reimbursement from the department for that amount and the department is subrogated to that party's claim.

SECTION 34. AMENDMENT. Section 14-17-10 of the North Dakota Century Code is amended and reenacted as follows:

14-17-10. Genetic test.

1. The court may, and upon request of a party shall, require the child, mother, or alleged father to submit to genetic tests, including tests of blood or other tissues. The tests must be ~~performed~~:

   a. Of a type generally acknowledged as reliable by accreditation bodies designated by the secretary of the United States department of health and human services;

   b. Performed by a laboratory approved by such an accreditation body; and

   c. Performed by an expert qualified as an examiner of genetic data or specimens, appointed by the court.

2. The court, upon reasonable request by a party, shall order that independent tests be performed by other experts qualified as examiners of genetic data or specimens.

3. In all cases, the court shall determine the number and qualifications of the experts.

SECTION 35. AMENDMENT. Subsection 4 of section 14-17-13 of the North Dakota Century Code is amended and reenacted as follows:

4. The trial must be by the court without a jury ~~unless either party demands trial by jury~~.

SECTION 36. A new section to chapter 14-17 of the North Dakota Century Code is created and enacted as follows:

Evidence relating to costs of pregnancy, childbirth, and genetic testing.

1. Extrinsic evidence of authenticity as a condition precedent to admissibility is not required of billings by service providers for services relating to pregnancy, childbirth, and genetic testing.

2. Billings by service providers for services relating to pregnancy, childbirth, and genetic testing constitute prima facie evidence of the costs of those services.

SECTION 37. A new subsection to section 14-17-14 of the North Dakota Century Code is created and enacted as follows:

The judgment or order must include the social security numbers of the child and of individuals determined to be the child's parents.

SECTION 38. AMENDMENT. Section 14-17-16 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-17-16. Enforcement of judgment or order.

1. If existence of the father and child relationship is declared, or paternity or a duty of support has been acknowledged or adjudicated under this chapter or under prior law, the obligation of the father may be enforced in the same or other proceedings by the mother, the child, the public authority that has furnished or may furnish the reasonable expenses of pregnancy, confinement, education, support, or funeral, or by any other person, including a private agency, to the extent he has furnished or is furnishing these expenses.

2. The court ~~may~~ shall order support payments to be made ~~to the mother, the clerk of the court, or a person, corporation, or agency designated to administer them for the benefit of the child under the supervision of the court~~ subject to section 10 of this Act and section 14-09-08.1.

3. Willful failure to obey the judgment or order of the court constitutes contempt of court. All remedies for the enforcement of ~~judgments~~ child support orders apply.

SECTION 39. AMENDMENT. Section 14-19-03 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-19-03. Establishment of relationship of father and child. The relationship of father and child may be established by an acknowledgment of paternity, signed by both parents, given before a witness if:

1. The acknowledgment is made on a form, approved by the department, which provides:

   a. Instructions for filing the acknowledgment with the department of health;

   b. Places for entry of the parents' names, addresses, and social security numbers; parents' signatures; and witnesses' signatures; and

2. The witness, or any agent of a child support agency, verifies that the parents have been provided, before the acknowledgement of paternity is signed:

   a. Written materials about paternity establishment, including the manner in which the relationship of father and child established under this chapter may be vacated; and

   b. A written and oral description of the rights ~~and~~, responsibilities, and legal consequences of acknowledging paternity.

SECTION 40. AMENDMENT. Section 14-19-05 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-19-05. Filing of acknowledgment - Services provided. An acknowledgment of paternity made under this chapter must be filed with the department of health. Upon request of the department, the department of health shall furnish a certified copy of an acknowledgment of paternity to the department. The state department of health shall offer voluntary paternity establishment services.

SECTION 41. AMENDMENT. Section 14-19-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-19-06. Hospital-based program for acknowledgment of paternity - Effect of noncompliance.

1. During the period immediately preceding or following the birth of a child to an unmarried woman in a birthing hospital, the hospital, at a minimum, shall:

   a. Provide to the mother and the alleged father, if he is present in the hospital:

      (1) Written materials about paternity establishment;

      (2) The forms necessary to voluntarily acknowledge paternity;

      (3) A written and oral description of the rights ~~and~~, responsibilities, and legal consequences of acknowledging paternity; and

      (4) The opportunity to speak, either by telephone or in person, with staff who are trained to clarify information and answer questions about paternity establishment;

   b. Provide the mother and the alleged father, if he is present, the opportunity to voluntarily acknowledge paternity in the hospital;

   c. Afford due process safeguards by informing, in writing, the mother and the alleged father, if he is present, of the manner in which a relationship of father and child established under this chapter may be vacated or rescinded; and

   d. Forward completed acknowledgments to the state department of health.

2. The department may withhold medical assistance payments from any hospital that fails to comply with this section. At least thirty days in advance of any withholding, the department shall notify the hospital of the department's intention to withhold medical assistance payments from the hospital. The hospital may appeal the decision to withhold medical assistance benefits to the department.

SECTION 42. A new section to chapter 14-19 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

Oral notice. Any oral notice required under this chapter may be provided by a recording.

SECTION 43. AMENDMENT. Section 14-19-10 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14-19-10. Vacation or rescission of acknowledgments - Time for commencing actions - Effect on presumptions under section 14-17-04 - Notice.

1. An acknowledgment of paternity made under this chapter may be vacated by the court or state department of health, or rescinded by the mother or father:

   a. By a notarized writing signed by either the father or the mother and filed with the state department of health within ~~ten~~ the earlier of:

      (1) Sixty days after the execution of the acknowledgment of paternity; or

(2) The date of any proceeding relating to the child in which the signatory on the acknowledgment is a party;

b. By order of the district court upon a showing, by a party, that an acknowledgment of paternity made under this chapter was the result of material mistake of fact, fraud, or ~~misrepresentation by another party, or any other reason justifying relief~~ duress;

c. By order of the district court upon a showing that a voidable acknowledgment of paternity made concerning the birth of a child to a married woman should be made void; or

d. By the state department of health upon receipt of two or more acknowledgments of paternity concerning the same child.

2. A party shall commence a claim for relief under subdivision b of subsection 1 within one year after execution of the acknowledgment of paternity. This limitation may only be extended:

a. Due to the minority of a child in a case brought by the child with respect to whom the relationship of father and child was established; or

b. Upon a showing that continued enforcement of a judgment based on an acknowledgment of paternity made under this chapter would be manifestly unjust and unconscionable to all parties; that the party seeking relief was prevented by fraud or fraudulent concealment from discovering the claim for relief; and that the claim is commenced within one year after the claim was discovered or might, in the exercise of diligence, have been discovered.

3. The vacation or rescission of an acknowledgment of paternity under this section does not affect any presumption of paternity provided under section 14-17-04.

4. If the state department of health vacates an acknowledgment under this section, it promptly shall provide notice of its action to the mother, to each acknowledged father of the child, and, if the department has requested a certified copy of any vacated acknowledgment, to the department.

5. The legal responsibilities of a parent, including the duty of supporting the child, may not be suspended during a district court proceeding under this section, except for good cause shown.

SECTION 44. AMENDMENT. Subsection 5 of section 23-02.1-13 of the North Dakota Century Code is amended and reenacted as follows:

5. If the child is not born during the marriage of the mother, or within three hundred days after any such marriage is terminated by death, annulment, declaration of invalidity, or divorce, or after a decree of separation is entered by a court, the name of the father may not be entered on the birth certificate unless:

a. After the child's birth, the father and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and:

(1) He has acknowledged his paternity of the child in writing filed with the state registrar;

(2) With his consent, he is named as the child's father on the child's birth certificate; or

(3) He is obligated to support the child under a written voluntary promise or by court order;

b. While the child is under the age of majority, he received the child into his home and openly holds out the child as his natural child; ~~or~~

c. ~~He acknowledges his paternity of the child in a writing filed with the state registrar which shall promptly inform the mother of the filing of the acknowledgment, and she does not dispute the acknowledgment within a reasonable time after being informed thereof, in a writing filed with the state registrar.~~ After the child's birth, the child's natural mother and the father voluntarily acknowledge the child's paternity in a writing signed by both and filed with the state registrar; or

d. A court or other entity of competent jurisdiction has adjudicated paternity.

SECTION 45. A new subsection to section 23-02.1-19 of the 1995 Supplement to the North Dakota Century Code is created and enacted as follows:

Each death certificate must include the social security number of the decedent, if the information is available. A social security number included on a death certificate is exempt from section 44-04-18 and section 6 of article XI of the Constitution of North Dakota.

SECTION 46. A new section to chapter 28-21 of the North Dakota Century Code is created and enacted as follows:

Department of human services may issue executions for child support arrearages.

1. Notwithstanding the provisions of section 28-21-05, if a judgment has been docketed under section 14-08.1-05 in an amount greater than six times the monthly child support obligation and the judgment debtor is not current in a court-established plan to repay the unpaid child support judgment, the department of human services may issue an execution, against the property of the judgment debtor, to the sheriff of any county in which the property may be found.

2. A writ of execution issued by the department of human services must be issued as provided in section 28-21-06, except the writ may omit:

   a. The seal of the court;

   b. The subscription of the clerk of that court;

   c. A statement of the courts and counties to which the judgment has been transcribed; and

   d. If the writ is issued to a sheriff of a county other than the county in which the judgment is docketed, a date and time of docketing in that sheriff's county.

3. A writ issued by the department of human services is returnable to the department.

SECTION 47. A new chapter to title 34 of the North Dakota Century Code is created and enacted as follows:

Definitions. As used in this chapter:

1. "Department" means the department of human services.

2. "Employee" means an individual who would be determined to be an employee under chapter 24 of the Internal Revenue Code of 1986, as amended [26 U.S.C. 3401 et seq.], but does not include an employee of a federal or state agency performing intelligence or counterintelligence functions, if the head of the agency has determined that reporting under this chapter, with respect to that employee, could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

3. "Employer" means an entity or individual who would be determined to be an employer under section 3401(d) of the Internal Revenue Code of 1986, as amended [26 U.S.C. 3401(d)], and includes any governmental entity and any labor organization.

4. "Labor organization" means an organization treated as a labor organization under section 2(5) of the National Labor Relations Act, as amended [29 U.S.C. 152(5)], and includes any entity, including a "hiring hall", which is used by the organization and an employer to carry out requirements, described in section 8(f)(3) of the National Labor Relations Act, as amended [29 U.S.C. 158(f)(3)], of an agreement between the organization and the employer.

State directory of new hires - Duties and responsibilities. There is, within the department, a state directory of new hires. The state directory of new hires shall, in conformance with section 453A of the Social Security Act [42 U.S.C. 653A]:

1. Receive reports made by employers;

2. Enter information into a data base maintained by the state directory of new hires;

3. Provide automated comparisons of employer report information and information maintained in the state registry of cases being enforced under the state plan approved under title IV-D of the Social Security Act [42 U.S.C. 651 et seq.] and identify cases matched; and

4. Transmit information received by the state directory of new hires to the national directory of new hires.

Employer reporting.

1. Except as provided in subsections 2 and 3, each employer shall furnish to the directory of new hires a report that contains the name, address, and social security number of each employee newly hired for work within this state, and the employer's name and address and the identifying number assigned under section 6109 of the Internal Revenue Code of 1986, as amended [26 U.S.C. 6109], to the employer.

2. An employer who has employees who are employed in two or more states, and who transmits reports magnetically or electronically, may designate one state in which the employer has employees and may transmit a report conforming to subsection 1 to that state. An employer who reports pursuant to this subsection must notify the secretary of the United States department of health and human services, in writing, of the state so designated.

3. Any department, agency, or instrumentality of the United States shall transmit a report, conforming to subsection 1, to the national directory of new hires established pursuant to section 453 of the Social Security Act [42 U.S.C. 653].

4. a. Except as provided in subdivision b, a report required under this section must be made no later than twenty days after the date the employer hires the employee.

   b. If the employer transmits reports magnetically or electronically, a report required under this section may be made by two monthly transmissions, if necessary, not less than twelve nor more than sixteen days apart.

Reporting format. Each employer report required by this chapter must be made on a W-4 form, or, at the option of the employer, an equivalent form prescribed by the state directory of new hires. The report may be transmitted by first-class mail or by any magnetic or electronic means readable by the department, including facsimile transmission, electronic mail, modem transmission, or other means of electronic communication.

Civil money penalties.

1. Except as provided in subsection 3, an employer who, after warning provided under subsection 2, fails to file a timely, complete, and correct report required under this chapter is liable for a civil money penalty of twenty dollars for each failure to report a new hire.

2. The department may issue a written warning to an employer who fails to file a timely, complete, and correct report required under this chapter. The warning must state that a failure to report may result in a civil money penalty.

3. An employer who, by agreement between the employer and employee, fails to file a timely, complete, and correct report required under this chapter or files a false or incomplete report, is liable for a civil money penalty of two hundred fifty dollars for each failure to report or each false or incomplete report.

Recovery of civil money penalties. A civil money penalty assessed under this chapter is payable fifteen days after service on the employer, by first-class mail, of notice of imposition of the civil money penalty. If an order for child support was issued by a court in this state, failure to pay a civil money penalty may be punished as a civil contempt by the court that issued an order for child support imposed upon a newly hired employee whose hiring was not reported timely, completely, and correctly. If an order for child support was issued by a court or administrative tribunal in another state, failure to pay a civil money penalty may be punished as a civil contempt by any court of this state with jurisdiction over the employer.

Disposition of civil money penalties. A civil money penalty collected under this chapter must be paid into the state treasury for deposit in the general fund after the costs of recovering the civil money penalty are deducted therefrom.

Confidentiality.

1. Information derived from employer reports received and maintained by the directory of new hires is confidential but must be made available for use by state agencies, in this state and other states, administering:

   a. State plans under title IV-D of the Social Security Act [42 U.S.C. 651 et seq.];

   b. Programs specified in section 1137(b) of the Social Security Act [42 U.S.C. 1320b-7(b)];

   c. Employment security programs; and

   d. Workers' compensation programs.

2. Information acquired under subsection 1 remains confidential subject to the confidentiality requirements of the plans and programs identified in subsection 1.

SECTION 48. A new chapter to title 35 of the North Dakota Century Code is created and enacted as follows:

Definitions. For purposes of this chapter:

1. "Account" has the meaning provided in section 50-09-01.

2. "Child support" has the meaning provided in section 14-09-09.10.

3. "Financial institution" has the meaning provided in section 50-09-01.

4. "Obligee" has the meaning provided in section 14-09-09.10.

5. "Obligor" has the meaning provided in section 14-09-09.10.

6. "Past due support" has the meaning provided in section 14-09-09.10.

7. "Public authority" has the meaning provided in section 14-09-09.10.

8. "Vehicle" has the meaning provided in section 39-01-01.

9. "Vessel" has the meaning provided in section 20.1-01-02.

Lien for past due child support. When a past due child support obligation is at least six times the monthly child support obligation and the obligor is not current in a court-established plan to repay the past due support, the public authority may establish a lien on personal property as provided in this chapter.

Vehicle lien.

1. In the case of a vehicle, the public authority may establish a lien by filing a notice of lien with the director of the department of transportation. The notice must be in a form prescribed by the director and contain a description of the vehicle, the name and last known address of the obligor, and any other information required by the director. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last known address.

2. Upon filing of the notice of lien in accordance with this section, the director shall demand in writing the surrender of the certificate of title from the obligor or a superior lienholder for the purpose of recording the lien on the certificate of title. Upon receipt of the certificate of title, the director shall record the fact of the lien and the identity of the lienholder on the certificate of title and deliver the certificate of title to the vehicle's owner or, if a superior lienholder had possession of the certificate of title, to that superior lienholder. If the obligor or superior lienholder fails to surrender the certificate of title within fifteen days after the written demand by the director, the director shall notify the public authority seeking the lien.

3. Upon receipt of notice from the director that the obligor or superior lienholder has not responded to the demand for surrender of a title certificate, the public authority may obtain an order from a court of competent jurisdiction requiring the certificate of title to be delivered to the court so that a lien may be properly recorded.

4. No fee may be charged for services provided under this section.

5. The director may determine a certificate of title to have been fraudulently procured if endorsed by a previous owner who, at the time the endorsement was made:

   a. Was an obligor who owed past due child support; and

   b. Had been served with a copy of a notice of lien filed under this section with respect to the vehicle described on that certificate of title.

6. A lien under this section is perfected when the lien is recorded on the certificate of title.

Vessel lien.

1. In the case of a vessel, the public authority may establish a lien by filing a notice of lien with the secretary of state if the value of the vessel is estimated to be at least twice the cost of establishing the lien. The notice must contain a description of the make, model designation, and serial number of the vessel, including its identification or registration number, if any, and the name, social security number, and last known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last known address.

2. Upon filing of the notice of lien in accordance with this section, the notice of lien must be indexed by the secretary of state in the central notice system and may be enforced and foreclosed in the same manner as a security agreement under the provisions of title 41.

3. The secretary of state shall remove and destroy the lien notification statement in the same manner as provided for other liens in section 11-18-14 for the register of deeds. The secretary of state shall charge the same filing and information retrieval fees and credit the amounts in the same manner as financing statements filed under chapter 41-09.

4. A lien under this section is perfected when notice of the lien is filed with the secretary of state.

5. The public authority may file an amendment to correct the social security number of the obligor, to correct the spelling of the obligor's name, or to correct or change the address of the obligor.

Account lien.

1. In the case of an account maintained in a financial institution, the public authority may establish a lien on the account by serving a notice of lien upon the financial institution in the manner provided for service of a summons in a civil action. The notice must be in a form prescribed by the public authority and contain the name, social security number, or other taxpayer identification number and last known address of the obligor, the amount of past due support for which a lien is claimed, and any other information required by the public authority. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last known address.

2. Upon service of the notice of lien on a financial institution in accordance with this section, the lien attaches to accounts of the obligor maintained in the financial institution, except to the extent necessary to satisfy any right of set off which exists in connection with an account, payment orders that were made by the obligor before the financial institution was served with notice of lien, or other obligations of the obligor based upon written agreements or instruments made or issued by the obligor before the financial institution was served with notice of lien.

3. A lien under this section is perfected when the financial institution is served with notice of the lien.

Lien on other personal property.

1. In the case of personal property that does not consist of a vehicle, a vessel, or an account maintained in a financial institution, the public authority may establish a lien on such personal property by filing a notice of lien with the office of the register of deeds in the county in which the personal property may be found or with the secretary of state. The notice must particularly describe the property to be subjected to the lien and the name and last known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last known address.

2. The information filed with a register of deeds or with the secretary of state under this section must be included in the computerized central notice system maintained by the secretary of state under section 41-09-46 and must be accessible to the public on the same terms and conditions that apply to access other statutory lien information maintained in the computerized central notice system.

3. Upon filing of the notice of lien in accordance with this section, the lien attaches to and is perfected against all personal property described in the notice.

Priority of liens. A lien perfected under this chapter may not be subordinate to any other lien except a lien that was perfected before the child support lien was perfected. The public authority may, upon request of the obligor, subordinate the child support lien.

Satisfaction of lien. Upon payment of all past due child support obligations, the public authority shall provide, within a reasonable time, an appropriate satisfaction or release of a lien arising under this chapter.

Immunity from liability. A person in possession of, or obligated with respect to, property, who, upon demand of the public authority, surrenders the property or discharges the obligation to the public authority is immune from any liability to the obligor or other person arising from the surrender or payment. The court shall award reasonable attorney's fees and costs against any person who commences an action that is subsequently dismissed by reason of the immunity granted by this section.

Action to enforce lien. In any case in which there has been a refusal or neglect to pay child support, the public authority, in addition to any other relief, may file an action in any court of competent jurisdiction to enforce a lien under this chapter. The filing of an action does not preclude the public authority from pursuit of any other means of enforcement available under state or federal law.

Persons aggrieved. A person aggrieved by an action taken by the public authority to enforce a lien under this chapter may seek review of the public authority's actions in the court that issued the child support order claimed to be past due.

Full faith and credit. A lien arising in another state, under a law of that state implementing the provisions of 42 U.S.C. 666(a)(4)(A), is entitled to full faith and credit when the party seeking to enforce that lien records or serves the lien documents in the manner provided under this code. No judicial notice or hearing is required prior to recording or service of the lien documents.

SECTION 49. A new chapter to title 43 of the North Dakota Century Code is created and enacted as follows:

Definition. For purposes of this chapter, "occupational or professional certificate, permit, or license" means a certificate, permit, or license issued by or on behalf of the state by any of its licensing authorities or occupational or professional boards, which an individual is required to obtain before engaging in the individual's occupation or profession.

Social security number required for professional or occupational license. No issuer of an occupational or professional certificate, permit, or license may issue such a certificate, permit, or license, or renewal thereof, to any individual who has not first provided the individual's social security number.

Inclusion of social security number in automated data base. An issuer of an occupational or professional certificate, permit, or license, that maintains an automated data base concerning individuals who have applied for or been issued a certificate, permit, or license, after the effective date of this section, must include the individual's social security number as an identifier in that data base.

Social security number not public record. A social security number provided under this chapter is exempt from section 44-04-18 and section 6 of article XI of the Constitution of North Dakota.

SECTION 50. AMENDMENT. Section 50-06-01.4 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-06-01.4. Structure of the department. The department includes the state hospital; the regional human service centers; a vocational rehabilitation unit; and other units or offices and administrative and fiscal support services as the executive director determines necessary. The department must be structured to promote efficient and effective operations and, consistent with fulfilling its prescribed statutory duties, shall act as the official agency of the state in the discharge of the following functions not otherwise by law made the responsibility of another state agency:

1. Administration of programs for children and families, including adoption services and the licensure of child-placing agencies, foster care services and the licensure of foster care arrangements, child protection services, children's trust fund, state youth authority, licensure of day care homes and facilities, services to unmarried parents, refugee services,

in-home community-based services, and administration of the interstate compacts on the placement of children and juveniles.

2. Administration of programs for persons with developmental disabilities, including licensure of facilities and services, and the design and implementation of a community-based service system for persons in need of habilitation.

3. Administration of aging service programs, including nutrition, transportation, advocacy, social, ombudsman, recreation, and related services funded under the Older Americans Act of 1965 [42 U.S.C. 3001 et seq.], home and community-based services, licensure of adult family care homes, committee on aging, and the fund matching program for city or county tax levies for senior citizen activities and services.

4. Administration of mental health programs, including planning and implementing preventive, consultative, diagnostic, treatment, and rehabilitative services for persons with mental or emotional disorders and psychiatric conditions.

5. Administration of programs for crippled children, including the provision of services and assistance to crippled children and their families, and the development and operation of clinics for the identification, screening, referral, and treatment of crippled children.

6. Administration of alcohol and drug abuse programs, including establishing quality assurance standards for the licensure of programs, services, and facilities, planning and coordinating a system of prevention, intervention, and treatment services, providing policy leadership in cooperation with other public and private agencies, and disseminating information to local service providers and the general public.

7. Administration of economic assistance programs, including ~~aid to families with dependent children~~ temporary assistance for needy families, food stamps, fuel assistance, child support enforcement, refugee assistance, work experience, work incentive, and quality control.

8. Administration of medical service programs, including medical assistance for needy persons, early and periodic screening, diagnosis and treatment, ~~the licensure of basic care facilities,~~ utilization control, and claims processing.

The executive director shall consult with and maintain a close working relationship with the state department of health; with the department of corrections and rehabilitation and the superintendents of the school for the deaf and the school for the blind to develop programs for developmentally disabled persons; and with the superintendent of public instruction to maximize the use of resource persons in regional human service centers in the provision of special education services. The executive director shall also maintain a close liaison with county social service agencies.

SECTION 51. AMENDMENT. Section 50-06-01.8 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-06-01.8. Department to seek waiver to establish ~~welfare reform demonstration project~~ training, education, employment, and management program - Waiver may be terminated - Program characteristics - Cooperation by governmental bodies - Interim rulemaking.

1. The department of human services shall seek, from appropriate federal officials, authorization to establish a demonstration project to combine the benefits provided under the state's aid to families with dependent children, temporary assistance for needy families, fuel assistance, and food stamp programs, pursuant to title IV-A of the Social Security Act, as enacted before August 22, 1996, [42 U.S.C. 601 et seq.], title IV-A of the Social Security Act, as enacted August 22, 1996, [42 U.S.C. 601 et seq.], the low-income home energy assistance program [42 U.S.C. 8621-8629], and the Food Stamp Act [7 U.S.C. 2011-2027].

2. Subject to the approval of the legislative council, the department of human services may terminate any waiver secured under subsection 1, or the demonstration project described

in subsection 1, if necessary or desirable for the statewide implementation of the training, education, employment, and management program, or otherwise.

3. The ~~demonstration project~~ training, education, employment, and management program established under this section must provide for uniform and consistent treatment of income and assets in determining eligibility; provide for the creation of a uniform method of budgeting and computing benefits, a consistent certification period for the receipt of benefits, and uniform reporting requirements; provide for necessary child care to allow a participant to meet educational and employment goals; and provide for universal employment and training to assist individuals in becoming self-sufficient. The ~~project~~ training, education, employment, and management program may be administered notwithstanding the requirements of ~~subsections 4 and 5 of section 50-01-09~~ section 50-01.2-03, section 50-03-07, subsections 17 and 19 of section 50-06-05.1, chapter 50-09, and section 50-11.1-11.1, relating to the administration of the ~~aid to families with dependent children~~ temporary assistance for needy families, fuel assistance, and food stamp programs, except that a county shall reimburse the state for expenditures for the ~~aid to families with dependent children~~ temporary assistance for needy families program in that county as required by section 50-09-21. The ~~demonstration project~~ training, education, employment, and management program may require any participant to cooperate with child support enforcement efforts.

4. The department of economic development and finance, job service North Dakota, county social service boards, and any other state agency determined appropriate, shall cooperate with the department to ensure the success of the ~~project~~ program. Local government agencies within the demonstration project counties are encouraged to cooperate with the department.

5. Rules adopted to implement the ~~demonstration project~~ training, education, employment, and management program may be adopted as interim final rules without a finding that emergency rulemaking is necessary, and the interim final rules may take effect on a date no earlier than the date of filing with the legislative council of the notice of proposed adoption of a rule required by subsection 4 of section 28-32-02.

SECTION 52. AMENDMENT. Section 50-06-01.8 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-06-01.8. Department to seek waiver to establish ~~welfare reform demonstration project~~ training, education, employment, and management program - Waiver may be terminated - Program characteristics - Cooperation with governmental bodies - Interim rulemaking.

1. The department of human services shall seek, from appropriate federal officials, authorization to establish a demonstration project to combine the benefits provided under the state's aid to families with dependent children, temporary assistance for needy families, fuel assistance, and food stamp programs, pursuant to title IV-A of the Social Security Act, as enacted before August 22, 1996, [42 U.S.C. 601 et seq.], title IV-A of the Social Security Act, as enacted August 22, 1996, [42 U.S.C. 601 et seq.], the low-income home energy assistance program [42 U.S.C. 8621-8629], and the Food Stamp Act [7 U.S.C. 2011-2027].

2. Subject to the approval of the legislative council, the department of human services may terminate any waiver secured under subsection 1, or the demonstration project described in subsection 1, if necessary or desirable for the statewide implementation of the training, education, employment, and management program, or otherwise.

3. The ~~demonstration project~~ training, education, employment, and management program established under this section must provide for uniform and consistent treatment of income and assets in determining eligibility; provide for the creation of a uniform method of budgeting and computing benefits, a consistent certification period for the receipt of benefits, and uniform reporting requirements; provide for necessary child care to allow a participant to meet educational and employment goals; and provide for universal

employment and training to assist individuals in becoming self-sufficient. The ~~project~~ training, education, employment, and management program may be administered notwithstanding the requirements of ~~subsections 4 and 5 of section 50-01-09~~ section 50-01.2-03, section 50-03-07, subsections 17 and 19 of section 50-06-05.1, chapter 50-09, and section 50-11.1-11.1, relating to the administration of the ~~aid to families with dependent children~~ temporary assistance for needy families, fuel assistance, and food stamp programs~~, except that a county shall reimburse the state for expenditures for the aid to families with dependent children program in that county as required by section 50-09-21~~. The ~~demonstration project~~ training, education, employment, and management program may require any participant to cooperate with child support enforcement efforts.

4. The department of economic development and finance, job service North Dakota, county social service boards, and any other state agency determined appropriate, shall cooperate with the department to ensure the success of the ~~project~~ program. Local government agencies ~~within the demonstration project counties~~ are encouraged to cooperate with the department.

5. Rules adopted to implement the demonstration project may be adopted as interim final rules without a finding that emergency rulemaking is necessary, and the interim final rules may take effect on a date no earlier than the date of filing with the legislative council of the notice of proposed adoption of a rule required by subsection 4 of section 28-32-02.

SECTION 53. AMENDMENT. Section 50-09-01 of the North Dakota Century Code is amended and reenacted as follows:

50-09-01. Definitions. In this chapter, unless the context or subject matter otherwise requires:

1. "Account" means a demand deposit account, checking or negotiable withdrawal order account, share account, share draft account, savings account, time deposit account, securities account, money market mutual fund account, or any other account or arrangement that reflects an owner's share or similar equity interest issued by an entity that is registered as an investment company under the federal investment company laws, to the extent the owner is permitted to redeem the share or interest by an order for payment to a third party.

2. "Assistance" means money payments with respect to, or goods and services provided for dependent children, including payments for the care of unmarried mothers or fathers and their infants.

3. "Child support" has the meaning provided in section 14-09-09.10.

4. "Child support agency" has the meaning provided in section 14-09-09.10.

~~2.~~ 5. "County agency" means the county social service board in each of the counties of the state.

~~3.~~ 6. "Dependent child" means any needy child who is described in a state plan for aid and services to needy families submitted pursuant to title IV-A ~~of the Social Security Act [42 U.S.C. § 601, et seq.]. The state agency is authorized to submit a state plan in a form which is consistent with and which meets the requirements for such plans which are or may be imposed by that Act~~.

7. "Financial institution" means:

   a. A depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act [12 U.S.C. § 1813(c)];

   b. An institution-affiliated party, as defined in section 3(u) of the Federal Deposit Insurance Act [12 U.S.C. § 1813(u)];

c. Any federal credit union or state credit union, as defined in section 101 of the Federal Credit Union Act [12 U.S.C. § 1752], including an institution-affiliated party of such a credit union, as defined in section 206(r) of the Federal Credit Union Act [12 U.S.C. § 1786(r)]; and

d. Any benefit association, insurance company, safe deposit company, securities intermediary, money market mutual fund, or similar entity authorized to do business in the state.

8. "Obligor" has the meaning provided in section 14-09-09.10.

9. "Past due support" has the meaning provided in section 14-09-09.10.

10. "Secretary" means the secretary of the United States department of health and human services.

11. "Securities account" has the meaning provided in section 41-08-41.

12. "Securities intermediary" has the meaning provided in section 41-08-02, but does not include a clearing corporation.

~~4.~~ 13. "State agency" means the North Dakota department of human services.

14. "Title IV-A" means title IV-A of the Social Security Act, as adopted by title I of Pub. L. 104-193 [110 Stat. 2110 et seq.; 42 U.S.C. § 601 et seq.].

15. "Title IV-D" means title IV-D of the Social Security Act [Pub. L. 93-647; 88 Stat. 2351; 42 U.S.C. 651 et seq.].

SECTION 54. AMENDMENT. Section 50-09-02 of the North Dakota Century Code is amended and reenacted as follows:

50-09-02. Duties of the state agency. The state agency shall:

1. Take such action and ~~make such~~ adopt rules ~~and regulations~~ as may become necessary to entitle the state to receive ~~aid~~ funds from the federal government ~~for aid to dependent children in North Dakota~~ under title IV-A.

2. Supervise the administration of ~~assistance to dependent children~~ temporary assistance for needy families throughout the state of North Dakota.

3. Take such action, give such directions, and ~~promulgate such~~ adopt rules ~~and regulations~~ as may be necessary or desirable to carry out the provisions of this chapter, including the adoption and application of suitable standards and procedure to ensure ~~uniform and equitable~~ appropriate treatment of all applicants for ~~aid to dependent children~~ temporary assistance for needy families.

4. Cooperate with the federal government in matters of mutual concern pertaining to ~~aid to dependent children~~ temporary assistance for needy families, including the adoption of such methods of administration as are found by the ~~federal government~~ state agency to be ~~necessary~~ appropriate for the efficient operation of the plan for such assistance.

5. Provide such qualified employees and representatives as may be necessary.

6. Prescribe the form of and print and supply to the county agencies blanks for applications, reports, and such other forms as it may deem necessary and advisable.

7. Have authority to establish and maintain personnel standards on a merit basis for personnel employed by the state and the county public assistance agencies not covered by a statewide merit system.

8. Make such reports in such form and containing such information as the federal government from time to time may require.

9. ~~Comply with such provisions, rules, and regulations as the federal government, from time to time, may find it necessary to make to assure the correctness and verification of the reports to be made~~ Make any determinations respecting title IV-A not expressly reserved to the federal government under federal law.

10. ~~Publish a biennial report and such interim reports as may be deemed necessary.~~ Determine if the terms of any waiver of federal requirements, pertaining to the aid to families with dependent children program, submitted to the federal government before August 22, 1996, are consistent with the requirements of title IV-A.

11. Determine the expenditures that constitute qualified state expenditures for purposes of this chapter.

12. Determine the costs that constitute administrative costs for purposes of this chapter.

13. Determine in any case if assistance provided will be funded through qualified state expenditures, funds made available from the federal government under title IV-A, or a combination thereof.

14. Assist recipients of temporary assistance for needy families, in a form and manner determined appropriate by the state agency, but which need not be uniform among families or among counties.

~~11.~~ 15. Administer all funds appropriated or made available to it for the purpose of carrying out the provisions of this chapter.

~~12.~~ 16. Act as the official agency of the state in the administration of the child support enforcement program in conformity with title IV-D ~~of the Social Security Act, as amended,~~ and to direct and supervise county administration of that program.

17. Take actions and adopt rules necessary to entitle the state to receive funds from the federal government under the child care and development block grant [42 U.S.C. 9858, et seq.], as amended.

18. Have authority to establish a program for families that include both a minor child and an incapacitated parent of that minor child, using no federal funds derived from temporary assistance for needy families block grant funds, which otherwise functions in substantially the form and manner of the temporary assistance for needy families program.

SECTION 55. AMENDMENT. Section 50-09-02.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-09-02.1. State agency to submit plans - Administer ~~Family Support Act~~ programs under title IV-A and title IV-D - Establish data system - Provide capacity for electronic funds transfer.

1. The state agency may submit state plans in forms that meet the requirements for such plans which are, or may be, imposed under ~~the Family Support Act of 1988 [Pub. L. 100-485; 102 Stat. 2343]~~ title IV-A or title IV-D. The state agency may take actions reasonably necessary to conform the administration of programs under its supervision and direction to the requirements of ~~the Family Support Act of 1988~~ title IV-A or title IV-D and the state plans submitted thereunder, including the issuance of policy manuals, forms, and program directives. The state agency may seek appropriate waivers of the requirements of federal statutes or regulations as authorized by federal law.

2. The state agency shall establish a statewide automated data processing system designed to conform to requirements imposed by or under ~~the Family Support Act of 1988~~ title IV-D. The state agency must make that system available for the use of clerks of court in carrying

out their duties under section 14-09-08.1. The official records of the state regarding all child support amounts owed, collected, and distributed must be maintained in that system.

3. The statewide automated data processing system must provide capability for electronic funds transfer for the purpose of income withholding and interstate collections.

SECTION 56. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

State case registry.

1. The statewide automated data processing system established under section 50-09-02.1 must include a registry that contains records with respect to:

   a. Each child support case in which services are being provided by the state agency or a child support agency under title IV-D; and

   b. Each child support order established or modified in this state on or after October 1, 1998.

2. The case records must use standardized data elements for both parents and contain other information the secretary requires.

3. Each case record concerning a case with respect to which services are being provided by the state agency or a child support agency under title IV-D must:

   a. Include payment records consistent with the requirements of title IV-D, which include:

      (1) The amount of current monthly or other periodic support owed under the order, and other amounts, including arrearages, interest, late payment penalties, fees, and amounts determined under section 24 of this Act, due or past due under the order;

      (2) Any amount described in paragraph 1 that has been collected;

      (3) The distribution of collected amounts;

      (4) The birthdate of any child for whom an order requires the provision of support; and

      (5) The amount necessary to satisfy any lien imposed under section 48 of this Act or established as a judgment lien under section 14-08.1-05.

   b. Be established, maintained, updated, and monitored on the basis of:

      (1) Information on administrative actions and administrative and judicial proceedings and orders relating to paternity and child support;

      (2) Information obtained from comparison with federal, state, and local sources of information;

      (3) Information on child support collections and distributions; and

      (4) Any other relevant information.

SECTION 57. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Required uses of statewide automated data processing system. The statewide automated data processing system established under section 50-09-02.1 must, in accordance with requirements of title IV-D, and regulations, formats, and operating requirements of the secretary adopted thereunder:

1. Effective October 1, 1998, provide comparisons respecting:

a. Federal and state case registry information;

b. Federal and state parent locator information;

c. Information secured under this chapter, chapter 50-24.1, similar laws administered in other states, and such other programs designated by the secretary as necessary to perform state agency functions under title IV-D, and under the respective programs; and

d. Information gathered by other agencies of this state, agencies of other states, and interstate networks as necessary and appropriate to carry out state agency duties respecting title IV-D or to assist other states to carry out similar duties;

2. Effective October 1, 1998, be used by the state disbursement unit in the performance of functions including:

a. Timely transmission of orders and notices to income payors for the withholding of income using uniform formats prescribed by the secretary;

b. Ongoing monitoring to promptly identify failures to make timely payment of support;

c. Automatic use of enforcement procedures if payments are not timely made; and

d. Be used, to the maximum extent feasible, to receive and disburse child support payments through electronic fund transfers; and

3. Be used, to the maximum extent feasible, to implement the expedited administrative procedures required by title IV-D.

SECTION 58. AMENDMENT. Section 50-09-03 of the North Dakota Century Code is amended and reenacted as follows:

50-09-03. Duties of county agency. In the administration of ~~aid to dependent children~~ assistance under this chapter, a county agency shall:

1. Administer the ~~provisions of this chapter~~ temporary assistance for needy families program in its county, subject to the rules ~~and regulations prescribed by~~ of the state agency ~~pursuant to the provisions of this chapter~~.

2. Report to the state agency at such times and in such manner and form as the state agency, from time to time, may direct.

3. Submit annually to the board of county commissioners of each county a budget containing an estimate and supporting data, setting forth the amount of money needed to carry out the provisions of this chapter.

4. Cooperate with juvenile courts and licensed children's agencies.

5. Administer the child support enforcement program under the direction and supervision of the state agency in conformity with title IV-D ~~of the Social Security Act, as amended~~. In administering the program, the county agency shall have the authority to contract with any public or private agency or person to discharge their child support enforcement duties.

SECTION 59. AMENDMENT. Section 50-09-06 of the North Dakota Century Code is amended and reenacted as follows:

50-09-06. Application for assistance - Assignment of support rights. Application for ~~aid to a dependent child~~ assistance under this chapter must be made to the county agency in the manner and form prescribed by the state agency. The application must contain such information as the state agency may require, and the action of the state agency in approving and granting assistance or in disapproving and denying assistance is final and binding on the county agency. An application for assistance under this chapter is deemed to create and effect an assignment of all rights of support.

which exist or may come to exist for the benefit of the child, to the state agency and county agency. The assignment:

1. Is effective as to both current and accrued child support obligations.
2. Takes effect upon a determination of eligibility for assistance under this chapter.
3. Terminates when an applicant ceases to receive assistance under this chapter, except with respect to the amount of any unpaid support obligation accrued under the assignment.

SECTION 60. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Power of state agency, child support agency, and employees and agents.

1. In implementing programs under title IV-D, the state agency, the child support agencies, and the officials, employees, and agents of such agencies may:

   a. Conduct examinations;

   b. Require by subpoena the attendance of witnesses and the production of books, records, and papers;

   c. Compensate witnesses and individuals producing books, records, including records maintained in automated data bases, and papers in amounts determined by the state agency, not to exceed actual reasonable costs incurred;

   d. Impose a fiscal sanction of no more than twenty-five dollars for each day against a person who fails to attend as a witness or produce books, records, or papers;

   e. Require genetic testing of appropriate individuals when necessary in disputed paternity cases, to determine the relationship of parent and child, and:

      (1) Pay the costs of such testing, subject to recoupment from the alleged father if paternity is established; and

      (2) Obtain additional testing in any case if an initial test result is contested, upon request and advance payment by the contestant;

   f. Make application to the district court to compel participation in genetic testing, the attendance of witnesses, the production of books, records, and papers, and the payment of fiscal sanctions imposed under this section;

   g. Notwithstanding any provision of law making the records confidential, obtain access, including automated access in the case of records maintained in automated data bases, to:

      (1) Records of other state and local government agencies, including:

         (a) Vital statistics, including records of marriage, birth, and divorce;

         (b) Local tax and revenue records, including information on residence address, employer, income, and assets;

         (c) Records concerning real and titled personal property;

         (d) Records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

         (e) Employment security records;

(f) Workers compensation bureau records identifying the last-known address of a person who owes or who is owed support, the wage-loss benefits, permanent partial impairment benefits, death benefits, or additional benefits that person has received or is entitled to receive from the bureau, and whether and where that person is currently employed;

(g) Records of all agencies administering public assistance programs;

(h) Records of the department of transportation;

(i) Corrections records;

(j) Law enforcement records; and

(k) Subject to an agreement with the state tax commissioner, state tax and revenue records, including information on residence address, employer, income, and assets; and

(2) Certain records held by private entities with respect to individuals who owe or are owed child support, or against or with respect to whom a child support obligation is sought, consisting of:

(a) The names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies; and

(b) Information on assets and liabilities on those individuals held by financial institutions.

h. Enter into agreements with financial institutions doing business in the state:

(1) To develop and operate, in coordination with those financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide in each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such financial institution and who owes past due support, as identified by the state agency by name and social security number or other taxpayer number; and

(2) Under which such financial institution, in response to a notice of lien or an execution, will encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a lien for unpaid child support.

i. For purposes of locating parents or alleged parents of children receiving services under title IV-D, provide all federal and state agencies conducting activities under title IV-D with access to:

(1) Records of the department of transportation; and

(2) Law enforcement records.

j. Notwithstanding any provision of law making the records confidential;

(1) Provide access to information identifying the amount of payment necessary to obtain the release of a lien taken by the state agency in any property to secure the payment of child support; and

(2) Upon payment of a sufficient amount, satisfy and release that lien.

2. All information received under this section, if confidential under some other provision of law, is subject to the penalties under section 50-06-15 and is confidential, except that the information may be used in the administration of any program administered by or under the supervision and direction of the department and as specifically authorized by the rules of the department. Any information received under this section, if not subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota in the possession of the person providing the information, is exempt from section 44-04-18 and section 6 of article XI of the Constitution of North Dakota. Any person acting under the authority of the state agency who pursuant to this subsection obtains information from the office of the state tax commissioner, the confidentiality of which is protected by law, may not divulge such information except to the extent necessary for the administration of the child support enforcement program or when otherwise directed by judicial order or otherwise provided by law.

3. a. As provided in title IV-D, a person is immune from suit or any liability under any federal or state law:

   (1) For any disclosure of information, in any form, made under this section, to the state agency, a county agency, or an official, employee, or agent of either;

   (2) For encumbering or surrendering any assets held by a financial institution in response to a notice of lien or an execution issued by the state agency as provided in sections 45 and 47 of this Act; or

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

   b. The court shall award reasonable attorney's fees and costs against any person who commences an action that is subsequently dismissed by reason of the immunity granted by this section.

4. The officers and employees designated by the county agencies or the state agency may administer oaths and affirmations.

5. All employing or contracting entities within this state, including for-profit, nonprofit, and governmental employers, shall provide information on the employment, compensation, and benefits of any individual employed by such entity as an employer or contractor within ten days of a request made under subsection 1 or made by the agency of any other state charged with administration of programs under title IV-D. An entity that receives a request for which a response is required by this section is subject to a fiscal sanction of twenty-five dollars for each day, beginning on the eleventh day after the request is made and not complied with.

SECTION 61. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Administrative enforcement in interstate cases. In acting as the official agency of the state in administering the child support program under title IV-D, the state agency, directly or through agents and county agencies:

1. Shall respond within five business days of receipt of a request made by another state to enforce a child support order;

2. May transmit to other states requests for assistance in cases involving enforcement of child support orders which include information provided and intended to enable the receiving state to compare information about the case to information in the data bases of the receiving state, and which constitute a certification:

   a. Of the amount of arrearages, if any, under the child support order; and

b. That procedural due process requirements applicable to the case have been complied with;

3. In cases in which the state agency receives requests made by another state to enforce a child support order, shall not consider that matter a child support case transferred to this state; and

4. Shall maintain records of:

a. The number of requests for assistance made by other states;

b. The number of cases in which this state collected support in response to requests made by other states; and

c. The amount of support collected.

SECTION 62. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Reporting arrearages to credit bureaus.

1. In acting as the official agency of the state in administering the child support program under title IV-D, the state agency, directly or through agents and county agencies, subject to subsection 2, may report periodically to consumer reporting agencies the name of any obligor who owes past due support, and the amount of past due support owed by the obligor.

2. The state agency may report under subsection 1 only after such an obligor has been provided notice and a reasonable opportunity to contest the accuracy of the statement of the name and amount of overdue support owed by the obligor.

3. For purposes of this section, "consumer reporting agency" means an agency that has furnished evidence, satisfactory to the department, that the agency is a consumer reporting agency as defined in section 603(f) of the Fair Credit Reporting Act [15 U.S.C. 1681a(f)].

SECTION 63. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Securing assets to satisfy past due child support. In acting as the official agency of the state in administering the child support program under title IV-D, in cases in which there is past due child support, the state agency may secure assets to satisfy the past due amount by issuing writs of execution under chapter 28-21. Those writs of execution may be used to secure or seize property including:

1. Periodic or lump sum payments from:

a. An agency administering unemployment compensation benefits, workers compensation benefits, or other benefits; and

b. Judgments, settlements, and gaming proceeds otherwise belonging to the obligor, or payable upon the obligor's demand;

2. Assets of the obligor held in financial institutions; and

3. Public and private retirement funds.

SECTION 64. AMENDMENT. Section 50-09-09 of the North Dakota Century Code is amended and reenacted as follows:

50-09-09. Award of assistance. Upon completion of the investigation of an applicant for assistance under this chapter, the county agency shall determine, in accordance with the rules of the state agency:

1. ~~That~~ If the applicant ~~is eligible for~~ may be provided assistance under the provisions of this chapter;

2. The amount and type of any assistance the applicant ~~shall~~ may receive; and

3. The date upon which such assistance ~~shall~~ may begin.

In all cases, a statement of the findings of the county agency forthwith must be transmitted to the state agency.

SECTION 65. AMENDMENT. Section 50-09-14 of the North Dakota Century Code is amended and reenacted as follows:

50-09-14. Appeal and hearing - Review of child support actions.

1. An applicant for or recipient of ~~aid to dependent children~~ temporary assistance for needy families under ~~the provisions of~~ this chapter, aggrieved because of a county agency's decision or delay in making a decision, may appeal to the state agency in the manner prescribed by the state agency and must be afforded a reasonable notice and opportunity for a fair hearing by the state agency. The state agency, on its own motion, may review individual cases and make determinations which are binding upon the county agency. An applicant or recipient aggrieved by any such determination, upon request, must be afforded reasonable notice and opportunity for a fair hearing by the state agency. All decisions of the state agency made on an appeal are final and are binding upon and must be complied with by the county agency.

2. Any person aggrieved by an action taken by the state agency or a child support agency under section 9 of this Act or this chapter to establish or enforce a child support order may seek review of the action of the state agency or child support agency in the court of this state that issued or considered the child support order. If an order for child support was issued by a court or administrative tribunal in another state, any person aggrieved by an action taken by the state agency or a child support agency under section 9 of this Act or this chapter to enforce that order may seek review of the action of the state agency or child support agency in any court of this state which has jurisdiction to enforce that order, or if no court of this state has jurisdiction to enforce that order, in any court of this state with jurisdiction over the necessary parties. Any review sought under this subsection must be commenced within thirty days after the date of action for which review is sought. A person who has a right of review under this subsection may not seek review of the actions of the state agency or child support agency in a proceeding under chapter 28-32.

SECTION 66. AMENDMENT. Section 50-09-20 of the North Dakota Century Code is amended and reenacted as follows:

50-09-20. Appropriation of county funds.

1. For the purpose of carrying out the provisions of this chapter, the board of county commissioners of each county annually shall appropriate and make available an amount sufficient to pay:

~~1.~~ a. Local expenses of administration of temporary assistance for needy families and the county's share of assistance payments as specified in section 50-09-21;

~~2.~~ b. Local expenses of administration of the child support enforcement program; and

~~3.~~ c. Local expenses of administration and the county's share of program costs of ~~the early childhood services program, job opportunity and basic skills training program, transportation program, and case management program~~ child care assistance programs and employment and training programs, as specified in section 50-09-21.

2. For purposes of this section, "local expenses of administration" include costs for personnel, space, equipment, computer software, materials, travel, utilities, and related costs, and the

indirect costs properly allocated to those costs. The term does not include custom computer programs, custom software development, computer operations undertaken at the direction of the department, and computer processing costs to the extent those costs exceed, in any calendar year, that county's cost of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers, all items, United States city average, after January 1, 1996.

3. If the financial condition of any county is such that it cannot make an appropriation or levy a tax for ~~aid to dependent children~~ temporary assistance for needy families or cannot issue warrants legally in an amount sufficient to provide the necessary funds to comply with the provisions of this chapter, the board of county commissioners shall report such fact to the state agency. After a hearing before the state agency, and such investigation as the state agency may make, the state agency may increase the amount to be supplied from state funds and adjust accordingly the amount to be supplied from county funds.

SECTION 67. AMENDMENT. Section 50-09-20 of the North Dakota Century Code is amended and reenacted as follows:

50-09-20. Appropriation of county funds.

1. For the purpose of carrying out the provisions of this chapter, the board of county commissioners of each county annually shall appropriate and make available an amount sufficient to pay:

~~1.~~ a. Local expenses of administration ~~and the county's share of assistance payments as specified in section 50-09-21~~ of temporary assistance for needy families;

~~2.~~ b. Local expenses of administration of the child support enforcement program; and

~~3.~~ c. Local expenses of administration ~~and the county's share of program costs of the early childhood services program, job opportunity and basic skills training program, transportation program, and case management program as specified in section 50-09-21~~ of child care assistance programs and employment and training programs.

2. For purposes of this section, "local expenses of administration" include costs for personnel, space, equipment, computer software, materials, travel, utilities, and related costs, and the indirect costs properly allocated to those costs. The term does not include initial acquisition of computers and related hardware approved by the department for the training, education, employment, and management program, custom computer programs, custom software development, computer operations undertaken at the direction of the department, and computer processing costs to the extent those costs exceed, in any calendar year, that county's cost of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers, all items, United States city average, after January 1, 1996.

3. If the financial condition of any county is such that it cannot make an appropriation or levy a tax for ~~aid to dependent children~~ temporary assistance for needy families or cannot issue warrants legally in an amount sufficient to provide the necessary funds to comply with the provisions of this chapter, the board of county commissioners shall report such fact to the state agency. After a hearing before the state agency, and such investigation as the state agency may make, the state agency may increase the amount to be supplied from state funds and adjust accordingly the amount to be supplied from county funds.

SECTION 68. AMENDMENT. Section 50-09-20.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

50-09-20.1. Amounts state liable for - Reimbursement by state. ~~The~~

1. Except as provided in subsection 2, the state agency shall reimburse each county, upon claim being made therefor by the county agency, for ~~fifty~~:

a. Fifty percent of the amount expended by the county agency ~~in excess of the amount provided by the federal government~~ for the administration of the ~~early childhood services program, the job opportunity and basic skills training program, the transportation program, and the case management program~~ temporary assistance for needy families program; and

b. Seventy-five percent of the amount expended by the county agency for the administration of the child care assistance program and employment and training programs provided under this chapter.

2. After January 1, 1998, the state agency shall not reimburse for any increased costs associated with achieving caseload ratios of sixty-five cases to one worker in the training, education, employment, and management program or increased costs for travel and training expended by a county agency for converting cases previously administered substantially in the form of the aid to families with dependent children program to administration in the form of the training, education, employment, and management program.

SECTION 69. AMENDMENT. Section 50-09-21 of the North Dakota Century Code is amended and reenacted as follows:

50-09-21. Amount county liable for - Reimbursement by county.

1. Each county shall reimburse the state agency, upon claim being made therefor by the state agency, for ~~one-fourth of the amount expended, in the county, for aid to dependent children~~ each county's share of all counties' shares of program costs of the temporary assistance for needy families program, ~~and program costs of~~ the early childhood services program~~, job opportunity and basic skills training program, transportation program, and case management program, in excess of the amount provided by the federal government for assistance payments to dependent children and for the program costs~~ and employment and training programs provided under this chapter. For purposes of this section, "all counties' shares of program costs" is equal to five and two-tenths percent of statewide program costs of the temporary assistance for needy families program, the child care assistance program, and employment and training programs provided under this chapter.

2. a. Each county shall reimburse the state agency, upon claim being made therefor by the state agency, for ~~an amount equal to one-half of that county's share of all counties' shares based upon the combined percentage average of the four-year period beginning November 1983 and ending October 1987, and the one-year period beginning November 1986 and ending October 1987, plus one-half of that county's share of all counties' shares allocated according to each county's percentage of population of persons under age eighteen according to the 1980 census.~~ that county's share of one-fourth of the amount expended in the state in excess of any amount provided by the federal government under title IV-E of the Social Security Act [94 Stat. 501; 42 U.S.C. 670 et seq.], as amended, for payments for children approved and granted foster care for children or subsidized adoption, without regard to that child's eligibility for benefits under title IV-E of the Social Security Act.

b. Each county's share of all counties' shares must be calculated under a formula established by the department through consultation with county representatives. The formula must:

(1) Include consideration of the most recent census data or official census estimates of the number of youth in each county;

(2) Include consideration of recent expenditures for foster care for youth from each county; and

(3) Be established by policy, and not by rule.

SECTION 70. AMENDMENT. Section 50-09-21 of the North Dakota Century Code is amended and reenacted as follows:

50-09-21. Amount county liable for - Reimbursement by county.

1. ~~Each county shall reimburse the state agency, upon claim being made therefor by the state agency, for one fourth of the amount expended, in the county, for aid to dependent children and program costs of the early childhood services program, job opportunity and basic skills training program, transportation program, and case management program, in excess of the amount provided by the federal government for assistance payments to dependent children and for the program costs.~~

~~2.~~ Each county shall reimburse the state age ncy, upon claim being made therefor by the state agency, for ~~an amount equal to one half of that county's share of all counties' shares based upon the combined percentage average of the four year period beginning November 1983 and ending October 1987, and the one year period beginning November 1986 and ending October 1987, plus one half of that county's share of all counties' shares allocated according to each county's percentage of population of persons under age eighteen according to the 1980 census,~~ that county's share of one-fourth of the amount expended in the state in excess of any amount provided by the federal government under title IV-E of the Social Security Act [94 Stat. 501; 42 U.S.C. 670 et seq.], for payments for children approved and granted foster care for children or subsidized adoption, without regard to that child's eligibility for benefits under title IV-E of the Social Security Act.

2. Each county's share of all counties' shares must be calculated under a formula established by the department through consultation with county representatives. The formula must:

   a. Include consideration of the most recent census data or official census estimates of the number of youth in each county;

   b. Include consideration of recent expenditures for foster care for youth from each county; and

   c. Be established by policy, and not by rule.

SECTION 71. AMENDMENT. Section 50-09-22 of the North Dakota Century Code is amended and reenacted as follows:

50-09-22. Procedure for reimbursement. The state agency shall keep records and accounts in relation to the expenditures for ~~aid to dependent children~~ temporary assistance for needy families in each county in North Dakota. ~~Claims for reimbursements under the provision of section 50-09-21 must be presented by the state agency to the board of county commissioners at the end of each calendar month.~~ The state agency shall certify to each county the total amount paid with respect to ~~aid to dependent children eligible for aid~~ temporary assistance for needy families from that county, and the county's share of such payments. The amount so certified must be paid to the state agency by the county treasurer upon the audit and approval of the claim in the manner provided by law. Nothing contained herein shall prevent the state agency, in cases where assistance is granted to, or on the behalf of unmarried mothers or the dependent children of unmarried mothers, from electing to assume the payment thereof without reporting the same to the board of county commissioners upon a claim for reimbursement: an election by the state agency to assume such payments without reporting the same to the counties shall relieve the counties of any liability as to such payments, but shall in no manner affect the liability of the counties as to any claim duly reported by the state agency for reimbursement.

SECTION 72. AMENDMENT. Section 50-09-24 of the North Dakota Century Code is amended and reenacted as follows:

50-09-24. Limitations of chapter. All assistance awarded under this chapter must be deemed to be awarded and to be held subject to the provisions of any amending or repealing act which may be passed, and no recipient shall have any claim for compensation, or otherwise, because ~~his~~ that recipient's assistance has been affected in any way by any amending or repealing act. Assistance

provided under this chapter is not an entitlement. No person has a property interest in any assistance sought or provided under this chapter. This chapter may not be construed to require provision of assistance not required by federal law.

SECTION 73. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Transition to training, education, employment, and management program. In counties in which a demonstration project established under section 50-06-01.8 is operating, the state agency shall supervise and direct county administration of temporary assistance to needy families, in the form of the training, education, employment, and management program. In all other counties, the state agency shall supervise and direct county administration of temporary assistance to needy families, substantially in the form of the aid to families with dependent children program established under 42 U.S.C. 601 et seq., as amended before August 22, 1996 [49 Stat. 627 et seq.], provided that the requirements of 42 U.S.C. 601 et seq., as amended by section 103 of Pub. L. 104-193, 110 Stat. 2112 et seq., as amended, are met. Beginning January 1, 1998, the state agency shall convert temporary assistance to needy families cases, previously administered substantially in the form of aid to families with dependent children cases, to administration in the form of the training, education, employment, and management program. After July 1, 1998, or as soon thereafter as may be feasible, the state agency shall supervise and direct county administration of all temporary assistance to needy families in the form of the training, education, employment, and management program.

SECTION 74. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Programs funded at state expense - Interpretation.

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:

   a. Services provided under section 50-06-06.8 and this chapter as child care assistance;

   b. Services provided under this chapter as employment and training programs; and

   c. Temporary assistance for needy families benefits provided under this chapter.

2. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

SECTION 75. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Substitution of terms - Meaning of title IV-A. Whenever the term "aid to families with dependent children", or any derivative of that term, appears in this code or the North Dakota Administrative Code, used in a context that refers to a period following the effective date of a state plan submitted under section 402 of the Social Security Act, as added by title I of Pub. L. 104-193; 110 Stat. 2110, the term "temporary assistance for needy families", or a derivative of that term, must be substituted therefor. The term "title IV-A of the Social Security Act", or any derivative of that term, whenever it appears in this code or the North Dakota Administrative Code, used in a context that refers to a period following the effective date of a state plan submitted under section 402 of the Social Security Act, as added by title I of Pub. L. 104-193; 110 Stat. 2110, refers to title IV-A of the Social Security Act, as amended by section 103 of Pub. L. 104-193; 110 Stat. 2112 et seq.

SECTION 76. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

Requirements for administration of temporary assistance for needy families.

1. Except as provided in subsections 2, 3, and 5 through 7, the department of human services, in its administration of temporary assistance for needy families in the form of the training, education, employment, and management program, shall:

   a. Provide assistance to otherwise eligible women in the third trimester of a pregnancy;

   b. Except as provided in subdivision c, afford eligible households benefits for no more than sixty months;

   c. Exempt up to twenty percent of the caseload from the requirements of subdivision b due to mental or physical disability of a parent or child, or mental or physical incapacity of a parent;

   d. Unless an exemption, exclusion, or disregard is required by law, count income and assets whenever actually available;

   e. Unless otherwise required by federal law, and except as provided in subdivision m, provide no benefits to noncitizen immigrants who arrive in the United States after August 21, 1996, for the first five years of residence in the United States, and after five years of residence, until the immigrant has ten years of work history, provide benefits only after considering the income and assets of the immigrant's sponsor;

   f. Limit eligibility to households with total available assets, not otherwise exempted or excluded, of a value not exceeding five thousand dollars for a one-person household and eight thousand dollars for a household of two or more;

   g. Seek approval of appropriate federal officials, and, if approved, use a simplified food stamp program to provide food stamp benefits to eligible households receiving temporary assistance for needy families;

   h. Exclude one motor vehicle of any value in determining eligibility;

   i. Require work activities as defined in section 6 of this Act for all household members not specifically exempted by the department of human services for reasons such as mental or physical disability of a parent or child, or mental or physical incapacity of a parent;

   j. Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies and establish numerical goals for reducing the illegitimacy rate for the state for periods through calendar year 2005;

   k. Conduct a program, designed to reach state and local law enforcement officials, the education system, and relevant counseling services, which provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men;

   l. Afford otherwise eligible households that have resided in this state less than twelve months benefits subject to the lifetime limit of the household's immediately previous state of residence;

   m. Provide benefits to otherwise eligible noncitizens who are lawfully present in the United States as refugees, asylees, veterans, active duty military personnel, spouses and dependents of active duty military personnel, and Cuban-Haitian entrants;

   n. Establish and enforce standards against program fraud and abuse;

   o. Establish procedures to screen and identify victims of domestic violence for referral to appropriate services which are to be incorporated into the training, education, employment, and management program assessment effective June 30, 1998;

   p. Provide an employment placement program;

q. Implement, as soon as practicable, an electronic fund transfer system;

r. Not exempt funds in individual development accounts;

s. Sanction parents who, without good cause, fail to ensure dependent minor children attend school unless the child has received a high school diploma or equivalent;

t. When appropriate, require household members to complete high school;

u. Exempt single parents from required work activities as defined in section 6 of this Act if the exempted parent has a child under four months of age;

v. Count only approved work activities as defined in section 6 of this Act for the purpose of measuring work participation rates;

w. Provide for progressive sanctions, including termination of assistance to the household, if a household member fails to cooperate with work requirements;

x. Provide for progressive sanctions, including termination of assistance to the household, if a household member fails, without good cause, to cooperate with child support activities;

y. Deny assistance with respect to a minor child absent from the household for more than one calendar month, except as specifically provided by the state agency for absences;

z. Require each household to participate in developing an individual responsibility plan and provide for progressive sanctions, including termination of assistance to the household, if adult and minor household members age sixteen or older fail to cooperate in developing an individual responsibility plan;

aa. Provide pre-pregnancy family planning services that are to be incorporated into the training, education, employment, and management program assessment effective June 30, 1998;

bb. Seek federal funding to assist in the evaluation of the program;

cc. Seek the approval of the secretary to develop and use a single application form for all economic assistance programs administered by the county social service boards;

dd. After June 30, 1998, except in cases of pregnancy resulting from rape or incest, not increase the assistance amount to recognize the increase in household size when a child is born to a household member who was a recipient of assistance under this chapter during the month of the child's probable conception;

ee. Disregard earned income as an incentive allowance for no more than twelve months; and

ff. Except as otherwise may be permitted by federal law, not reduce or terminate benefits based on a refusal of an individual to work if the individual is a single custodial parent caring for a child who has not attained six years of age and the individual proves a demonstrated inability to obtain needed child care because of the:

(1) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site;

(2) Unavailability or unsuitability of informal child care by a relative or under other arrangements; or

(3) Unavailability of appropriate and affordable formal child care arrangements.

2. If the secretary of the United States department of health and human services determines that funds otherwise available for the temporary assistance for needy families program in this state must be reduced or eliminated should the department of human services administer the program in accordance with any provision of subsection 1, the department of human services shall administer the program in a manner that avoids the reduction or loss.

3. If the caseload of households provided assistance exceeds projections provided to the fifty-fifth legislative assembly by the department of human services, the department of human services, subject to the approval of the legislative council, shall administer the temporary assistance for needy families program in a manner that avoids expending or committing all funds appropriated for that purpose earlier than June 30, 1999.

4. If administratively feasible, the department may establish a program that provides for payment of assistance after performance by individuals required to engage in work activities, as defined in section 6 of this Act.

5. If the department of human services determines, subject to the approval of the legislative council, that there is insufficient worker opportunity, due to increases in the unemployment rate, to participate in work activities as defined by section 6 of this Act, the department may administer the temporary assistance for needy families program in a manner different than provided in subsection 1.

6. If the department of human services determines, subject to the approval of the legislative council, that administration of the temporary assistance for needy families program, in the manner provided by subsection 1, causes otherwise eligible individuals to become a charge upon the counties under chapter 50-01, the department may administer the program in a manner that avoids that result.

7. If projected rates of expenditures for operation of the temporary assistance for needy families program, approved by the legislative council, indicate that appropriations for that purpose will be expended or committed earlier than June 30, 1999, the department of human services shall administer the temporary assistance for needy families program in a manner that avoids that result.

SECTION 77. REPEAL. Section 14-09-09.23 of the North Dakota Century Code is repealed.

SECTION 78. REPEAL. Sections 50-09-16, 50-09-17, and 50-09-22 of the North Dakota Century Code and section 50-06-06.8 of the 1995 Supplement to the North Dakota Century Code are repealed.

SECTION 79. REPEAL. Sections 50-09-20 and 50-09-21 of the North Dakota Century Code and section 50-09-20.1 of the 1995 Supplement to the North Dakota Century Code are repealed.

SECTION 80. REPEAL. Section 50-08.1-02 of the 1995 Supplement to the North Dakota Century Code is repealed.

SECTION 81. APPROPRIATION. There is hereby appropriated out of special funds derived from federal funds, the sum of $200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing child care assistance and employment and training under this Act, for the biennium beginning July 1, 1997, and ending June 30, 1999.

SECTION 82. LEGISLATIVE COUNCIL STUDY. The legislative council shall study the implementation of the temporary assistance for needy families program in the state during the 1997-98 interim. The study must address the issues of the simplification of all public work programs into a single system, providing a work force preparation and placement program and establishing performance-based outcome measures for all contractors, the caseload ratio established in section 50-09-20.1, the training and expertise of the managers administrating training, education, employment, and management program, and the development of a tiered system of benefit support and incentives.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-sixth legislative assembly.

SECTION 83. ESTABLISHMENT OF TASK FORCE. To accomplish the goals and programs provided for in subdivisions j, k, o, and aa of section 76 of this Act, the department of human services shall establish a statewide task force that includes representatives of all relevant parties, and also includes two members of the legislative assembly appointed by the chairman of the legislative council.

SECTION 84. TRANSFER OF RESPONSIBILITIES. To provide for an orderly transfer of responsibilities under chapters 14-08.1 and 14-09 from the clerks of court to the public authority and its state disbursement unit, it is the intention of the legislative assembly that, during the periods between July 1, 1997, and April 1, 1999, with respect to the state disbursement unit activities, and between July 1, 1997, and the system implementation date, with respect to income withholding and other activities, the clerks of court and the public authority shall share responsibilities. The public authority, upon consultation with the supreme court and other representatives selected by the boards of county commissioners, shall prepare schedules for the transfer of specific responsibilities on a county-by-county and case-by-case basis. As soon as the public authority is able to assume responsibilities with respect to a particular county, it is the intention of the legislative assembly that responsibilities with respect to newly issued and newly amended child support orders be assumed by the public authority.

SECTION 85. INFORMAL GRIEVANCE PROCEDURE TO BE DEVELOPED. Before the completion of the transfer of responsibilities under section 84 of this Act, the department of human services, in implementing programs under Title IV-D of the Social Security Act and in consultation with the clerks of court, county offices, and regional child support enforcement offices, shall develop an informal grievance procedure concerning any matter not subject to determination in a judicial proceeding. The procedure must include the department, clerks of court, county offices, and regional child support enforcement offices that provide services under Title IV-D of the Social Security Act.

SECTION 86. EFFECTIVE DATE. Section 77 of this Act becomes effective on the system implementation date as defined by section 25 of this Act.

SECTION 87. EFFECTIVE DATE. Sections 1 through 8, 12, 14 through 20, 39 through 46, 48 through 51, 53 through 55, 57 through 66, 68, 69, 71, 72, 73, 75, 76, and 80 of this Act become effective on July 1, 1997.

SECTION 88. EFFECTIVE DATE. Section 47 of this Act becomes effective on October 1, 1997.

SECTION 89. EFFECTIVE DATE. Sections 52, 67, 70, 74, and 78 of this Act become effective on January 1, 1998.

SECTION 90. EFFECTIVE DATE. Sections 9 through 11, 13, 21, 38, and 56 of this Act become effective on July 1, 1999.

SECTION 91. EFFECTIVE DATE. Section 79 of this Act becomes effective January 1, 1998, if House Bill No. 1041 becomes law and that bill includes provisions repealing North Dakota Century Code sections 50-09-20, 50-09-20.1, and 50-09-21, but is otherwise ineffective.

SECTION 92. EXPIRATION DATE. Sections 51, 66, and 69 of this Act are effective through December 31, 1997, and after that date are ineffective.

SECTION 93. EXPIRATION DATE. Section 12 of this Act is effective through June 30, 1999, and is thereafter ineffective.

50-09-29. Requirements for administration of temporary assistance for needy families.

1. Except as provided in subsections 2, 3, and 5 through 7, the department of human services, in its administration of temporary assistance for needy families in the form of the training, education, employment, and management program, shall:
   a. Provide assistance to otherwise eligible women in the third trimester of a pregnancy;
   b. Except as provided in subdivision c, afford eligible households benefits for no more than sixty months;
   c. Exempt up to twenty percent of the caseload from the requirements of subdivision b due to mental or physical disability of a parent or child, or mental or physical incapacity of a parent;
   d. Unless an exemption, exclusion, or disregard is required by law, count income and assets whenever actually available;
   e. Unless otherwise required by federal law, and except as provided in subdivision m, provide no benefits to noncitizen immigrants who arrive in the United States after August 21, 1996, for the first five years of residence in the United States, and after five years of residence, until the immigrant has ten years of work history, provide benefits only after considering the income and assets of the immigrant's sponsor;
   f. Limit eligibility to households with total available assets, not otherwise exempted or excluded, of a value not exceeding five thousand dollars for a one-person household and eight thousand dollars for a household of two or more;
   g. Seek approval of appropriate federal officials, and, if approved, use a simplified food stamp program to provide food stamp benefits to eligible households receiving temporary assistance for needy families;

h. Exclude one motor vehicle of any value in determining eligibility;

i. Require work activities as defined in section 14-08.1-05.1 for all household members not specifically exempted by the department of human services for reasons such as mental or physical disability of a parent or child, or mental or physical incapacity of a parent;

j. Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies and establish numerical goals for reducing the illegitimacy rate for the state for periods through calendar year 2005;

k. Conduct a program, designed to reach state and local law enforcement officials, the education system, and relevant counseling services, which provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men;

l. Afford otherwise eligible households that have resided in this state less than twelve months benefits subject to the lifetime limit of the household's immediately previous state of residence;

m. Provide benefits to otherwise eligible noncitizens who are lawfully present in the United States as refugees, asylees, veterans, active duty military personnel, spouses and dependents of active duty military personnel, and Cuban-Haitian entrants;

n. Establish and enforce standards against program fraud and abuse;

o. Establish procedures to screen and identify victims of domestic violence for referral to appropriate services which are to be incorporated into the training, education, employment, and management program assessment effective June 30, 1998;

p. Provide an employment placement program;

q. Implement, as soon as practicable, an electronic fund transfer system;

r. Not exempt funds in individual development accounts;

s. Sanction parents who, without good cause, fail to ensure dependent minor children attend school unless the child has received a high school diploma or equivalent;

t. When appropriate, require household members to complete high school;

u. Exempt single parents from required work activities as defined in section 14-08.1-05.1 if the exempted parent has a child under four months of age;

v. Count only approved work activities as defined in section 14-08.1-05.1 for the purpose of measuring work participation rates;

w. Provide for progressive sanctions, including termination of assistance to the household, if a household member fails to cooperate with work requirements;

x. Provide for progressive sanctions, including termination of assistance to the household, if a household member fails, without good cause, to cooperate with child support activities;

y. Deny assistance with respect to a minor child absent from the household for more than one calendar month, except as specifically provided by the state agency for absences;

z. Require each household to participate in developing an individual responsibility plan and provide for progressive sanctions, including termination of assistance to the household, if adult and minor household members age sixteen or older fail to cooperate in developing an individual responsibility plan;

aa. Provide pre-pregnancy family planning services that are to be incorporated into the training, education, employment, and management program assessment effective June 30, 1998;

bb. Seek federal funding to assist in the evaluation of the program;

cc. Seek the approval of the secretary to develop and use a single application form for all economic assistance programs administered by the county social service boards;

dd. After June 30, 1998, except in cases of pregnancy resulting from rape or incest, not increase the assistance amount to recognize the increase in household size when a child is born to a household member who was a recipient of assistance under this chapter during the month of the child's probable conception;

ee. Disregard earned income as an incentive allowance for no more than twelve months; and

ff. Except as otherwise may be permitted by federal law, not reduce or terminate benefits based on a refusal of an individual to work if the individual is a single custodial parent caring for a child who has not attained six years of age and the individual proves a demonstrated inability to obtain needed child care because of the:

(1) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site;

(2) Unavailability or unsuitability of informal child care by a relative or under other arrangements; or

(3) Unavailability of appropriate and affordable formal child care arrangements.

2. If the secretary of the United States department of health and human services determines that funds otherwise available for the temporary assistance for needy families program in this state must be reduced or eliminated should the department of human services administer the program in accordance with any provision of subsection 1, the department of human services shall administer the program in a manner that avoids the reduction or loss.

3. If the caseload of households provided assistance exceeds projections provided to the fifty-fifth legislative assembly by the department of human services, the department of human services, subject to the approval of the legislative council, shall administer the temporary assistance for needy families program in a manner that avoids expending or committing all funds appropriated for that purpose earlier than June 30, 1999.
4. If administratively feasible, the department may establish a program that provides for payment of assistance after performance by individuals required to engage in work activities, as defined in section 14-08.1-05.1.
5. If the department of human services determines, subject to the approval of the legislative council, that there is insufficient worker opportunity, due to increases in the unemployment rate, to participate in work activities as defined by section 14-08.1-05.1, the department may administer the temporary assistance for needy families program in a manner different than provided in subsection 1.
6. If the department of human services determines, subject to the approval of the legislative council, that administration of the temporary assistance for needy families program, in the manner provided by subsection 1, causes otherwise eligible individuals to become a charge upon the counties under chapter 50-01, the department may administer the program in a manner that avoids that result.
7. If projected rates of expenditures for operation of the temporary assistance for needy families program, approved by the legislative council, indicate that appropriations for that purpose will be expended or committed earlier than June 30, 1999, the department of human services shall administer the temporary assistance for needy families program in a manner that avoids that result.

TEEM PROJECT SUMMARY

The demonstration project approved by the federal government for the state of North Dakota, under Section 1115 of the Social Security Act and Section 17 of the Food Stamp Act, is entitled the Training, Education, Employment, and Management (TEEM) Project. The main focus of the TEEM Project promotes individual and family self-sufficiency through these four elements, as well as a number of other changes that are intended to encourage individual responsibility while preserving and strengthening the family structure.

PROJECT OBJECTIVES

The TEEM Project provides dramatic and far-reaching reforms to the current economic assistance programs. The project is based on a comprehensive approach to the economic problems and barriers that confront low-income families. The objectives of the TEEM Project are:

1) Standardize, streamline, and simplify the program rules;
2) Replace the numerous programs with one comprehensive program;
3) Ensure the rights of every person to economic security;
4) Provide benefits on the basis of a TEEM contract;
5) Allow families to retain a reasonable level of resources;
6) Provide a uniform budget methodology;
7) Encourage responsibility under the TEEM contract;
8) Engage the private business sector as a major partner;
9) Provide incentives to make work more rewarding;
10) Require both parents to share in the support of their children;
11) Support relocation for work or training;
12) Evaluate performance based on the achievement of stated goals;
13) Promote participation in the EPSDT Program; and
14) Preserve and strengthen the family structure.

TEEM HOUSEHOLD CONCEPT

The focal point of the TEEM Project is eligibility for Aid to Families with Dependent Children (AFDC), which assists needy children who live in the home of a relative and have been deprived of parental support by reason of death, continued absence from the home, physical or mental incapacity of either or both parents, or unemployment of the

principle wage earner.

In order to maximize the family's opportunities to achieve self-sufficiency, the TEEM household will include those individuals residing in the household who also receive Food Stamps or Low Income Home Energy Assistance (LIHEAP) but are not eligible for AFDC. For example, if a mother and her child are eligible for AFDC, they are included in the TEEM household. An individual who is part of the same food stamp unit but is not AFDC eligible will also be included in the TEEM household.

UNEMPLOYED PARENT ELIGIBILITY

Two-parent families may be eligible for TEEM benefits due to the unemployment of the principle wage earner. TEEM has eliminated the current rule for unemployed parent eligibility which made two-parent families ineligible if the principle wage earner worked more than 100 hours in a month. Unemployed parent benefits are limited to six months in any twelve month period.

STEPPARENT CONSIDERATION

In order to encourage marriage among single-parent families and assist those families when the primary individual in a TEEM household marries, the income of the stepparent whose needs were not previously included in the AFDC benefit will be disregarded in determining the AFDC portion of the TEEM benefit for the first six months following the marriage.

CASH-OUT

Rather than issue food stamp coupons to households in the demonstration project, the appropriate level of benefits, as determined by household size and income, will be built into the TEEM Project benefit. All LIHEAP benefits to TEEM households will also be paid as part of the TEEM benefit rather than to heating vendors. As soon as feasible, the Food Stamp electronic benefits transfer (EBT) system will be integrated into TEEM so that Food Stamp benefits will be issued using electronic transfer rather than cash-out or coupons. A similar system is being considered for the AFDC program as well.

SINGLE BUNDLED BENEFIT

The TEEM benefit is a single cash payment that represents a combination of AFDC, Food Stamp, and LIHEAP benefits to eligible households. The base level for the TEEM benefit is an amount comparable to the regular grants and identified as a percent of the poverty level for the selected base year. The TEEM benefit amount is determined by a single set of rules or criteria for all programs and provided to the household as a single benefit.

North Dakota is currently developing an electronic benefits transfer (EBT) system for Food Stamps. This will serve as the basis for developing a system that will use electronic fund transfers for the majority of the economic assistance programs in the future.

INCOME AND RESOURCES

Under the TEEM Project, all income, income deductions, and income exclusions are applied uniformly to TEEM households. Resources and resource exclusions are also subject to a uniform set of rules, as will the budget methodology, reporting requirements, and certification periods.

In an effort to encourage saving by the TEEM household, resource limits have been increased to $5,000 for one person and $8,000 for households of two or more. Additionally, TEEM permits eligible households to claim one vehicle as exempt from resource consideration.

EMPLOYMENT INCENTIVE DISREGARD

Advantages for TEEM households include a standard 27% disregard applied to gross earned income for work-related expenses and employment incentives beyond what is available under existing public assistance programs. Employed individuals are allowed to retain more of their earnings while eligible for TEEM. Households will be eligible for assistance under the demonstration until their earned and unearned income plus the TEEM benefit received exceeds a set percent of the poverty level. The graduated income disregard is used to offset the net earned income against the TEEM benefit. With the graduated offset, as the earnings of the household increase, the amount counted in the benefit determination also increases until the net earnings are counted

dollar for dollar against the TEEM benefit.

TEEM ASSESSMENT

TEEM places primary emphasis on families moving towards self-sufficiency in contrast to past emphasis on providing benefits to address financial needs. TEEM will continue to provide economic assistance to families for temporary support but, from the time they start receiving TEEM benefits, work and independence is stressed.

The TEEM assessment is a primary activity of the TEEM manager. In the past the eligibility worker's primary duty was to determine eligibility for benefits. Other activities were viewed as secondary tasks. Financial assistance is now viewed as one of a variety of services designed to support families. Family needs are considered in a context broader than just financial. The TEEM manager and household complete an assessment to identify both strengths and weaknesses in the family. This assessment will be used to develop goals and activities agreed upon by the family and the TEEM manager in the TEEM contract.

There are seven areas under the TEEM assessment process with many different goals for each area. The seven areas are as follows:

1. COUNSELING - Needs are identified in areas such as individual and family counseling, drug and alcohol evaluation, and nutrition counseling. If nutrition was picked as an area of need, providers could be identified and the family is referred for services for anything from a nutritional assessment to menu planning or budgeting for nutritional needs.

2. EDUCATION - Adult education and early childhood education needs are identified here. Adults without a high school degree may be referred to adult education classes or to a GED program. Preschool children may be referred to Head Start.

3. EMPLOYMENT - This identifies needs in the employment area and referrals may be made to a number of service agencies such as Job Service and Vocational Rehabilitation.

4. FINANCIAL - When financial difficulties are identified as an area of

need, referrals may be made to housing assistance, budget counseling or other services that assist families in money management.

5. HEALTH AND MEDICAL - Needs are identified and referrals made for such things as dental care, medical care and health screenings.

6. LEGAL - Families will be given referrals for legal assistance when this need is identified.

7. SUPPORTIVE SERVICES - This is a broad area that can identify needs in areas such as transportation or emergency food assistance.

TEEM CONTRACT

A variety of goals may be identified as the TEEM manager and TEEM household complete the assessment. The next activity requires that goals be prioritized and identified as those to address immediately or ones that can be worked on in the future. The TEEM manager will write tasks for the immediate goals to address how those goals will be met. The task writing is to be done cooperatively between the TEEM manager and the TEEM head of household and is individualized for each family.

The goals and tasks developed during the assessment will be recorded on the TEEM contract. Each TEEM household must complete a TEEM contract by the end of the second month in which they receive TEEM benefits. The TEEM contract is a signed agreement between the county social service office and the TEEM household identifying the goals and tasks for which the family is responsible. Each task has a time period identified for completion. Continued eligibility in the TEEM Project depends on meeting the obligations under the TEEM contract. Failure to complete the tasks on the contract can lead to the sanction of a household member and, in cases where the sanction isn't cured, the TEEM case can be closed.

MANDATORY GOALS

There are three mandatory goals that all TEEM households must meet unless they are otherwise exempt. These are cooperation with child support enforcement, cooperation with work and training requirements, and cooperation with the North Dakota Health Tracks program for dependent children.

TEEM recognizes the importance of a strong child support program. TEEM households must agree to cooperate with the regional child support office to establish paternity and assist in ensuring that the non-custodial parent share in the support of their children. Noncooperation may lead to an individual being sanctioned, and continued noncooperation may lead to the TEEM household losing TEEM benefits.

The TEEM Project views employment as the key to self-sufficiency. All adult household members, unless otherwise exempt, must participate in employment or training activities. All eligible adults have an employment or training goal included in their TEEM contract and will be referred to an appropriate provider. Members that do not cooperate with the tasks or program requirements of the agency may be sanctioned. Continued noncooperation may lead to closing of the TEEM case.

An integral component of TEEM will involve nonpaid work for a public or private nonprofit agency in order to obtain work experience and assist in resume development. A work experience component would require a minimum number of hours in paid or subsidized employment, training or education directed toward employment. Nonexempt individuals who are not actively involved in a full-time training or employment activity may be required to participate in community service employment for 32 hours per week, allowing an additional eight hour per week for job search activities.

Referral for ND Health Tracks services will be included as part of the TEEM contract. TEEM encourages preventative care and participation in health screening will be mandatory for TEEM households. Failure to comply with this may result in a reduction of the TEEM benefit. This reduction will remain in place until the household complies with the screening.

SANCTIONS

Sanctions will result when TEEM households refuse to comply with the tasks set forth on the TEEM contract. The sanctions are progressive with subsequent sanctions resulting in harsher penalties and less time to "cure" the sanction.

SUMMARY OF TEEM PROJECT - NORTH DAKOTA'S WELFARE REFORM

CURRENT PROGRAM RULES	TEEM PROVISIONS
Financial assistance is provided as an entitlement based on the household status.	Continued financial assistance is based on completing goals agreed to in TEEM contract.
Households apply for benefits under various programs and follow different rules for each program.	TEEM will combine three separate programs (AFDC, Food Stamps, & Fuel Assistance) into one comprehensive program.
Rules for eligibility, assets, earnings, household status, etc. vary for each program.	TEEM will provide one set of rules to replace the different rules from various programs.
Benefits from various programs are issued as cash grant, coupons, or vendor payments.	TEEM will provide a "bundled" benefit of one grant to the household.
Supplemental Security Income (SSI) recipients are not eligible for AFDC benefits or services.	SSI recipients will be included in TEEM as non-AFDC and the SSI benefits counted as income to the household.
Assets limited to $1000 for AFDC, $2000 for Food Stamps.	Asset limits raised to $5000 for one-person and $8000 for two or more in household.
Vehicle value limited to $1500 for AFDC and $4500 for Food Stamps.	One vehicle exempt per household.
Two-parent households become ineligible for assistance if parent employed more than 100 hours in a month.	TEEM will eliminate the 100-hour rule and encourage work while allowing families to remain intact.
Some income of children will negatively impact the household grant.	TEEM will exempt earned income of children who remain in high school.
Sanctions under the JOBS Program will result in loss of benefits for adults.	JOBS sanctions are progressive and could result in loss of benefits for the household.
Employment doesn't pay because incentives are available for a limited time.	Encourage work by allowing greater incentives especially when wages are low and making them available for an extended period.
Adults are not encouraged to marry because it would reduce benefits to the household.	If adults marry, the stepparent's income may be exempt for six months.
Local agency staff deal only with financial assistance for the household.	TEEM managers will provide assessment services to identify needs other than financial assistance that are barriers to self-sufficiency.

CURRENT PROGRAM RULES	TEEM PROVISIONS
Parents are given information about health screening for dependent children.	Parents are provided information on health screening and dependent children must participate unless good cause is shown.

Prepared by:
TEEM Division
September 24, 1997 (revised)

TANF REQUIREMENTS

* States must maintain 80% of historic level of spending in addition to federal funds

* Prohibitions on certain legal immigrants for receipt of assistance

* State must operate a child support enforcement program and require cooperation

* Teen parents must live at home or in adult-supervised setting

* Teen parents must complete high school or a G.E.D.

* Prohibited from providing benefits to felons with drug convictions or to fleeing felons or parole/probation violators

* Assessment required on everyone over age 18 or over age 16 if not in school

* Community service employment required after two months on assistance

* Work required after determined work-ready or 24 months, whichever is first

* No benefits to families whose adults have received TANF assistance for 60 months

* Must meet work rate requirements starting at 25% of caseload, rising to 50% for all families

* Work rate for two-parent families starts at 75% and rises to 90%

* Only work activities as defined in TANF are considered for work rate calculation

* Cannot sanction single parent if not working when child is under age 6 and child care isn't available

* States must develop a plan for out-of-wedlock pregnancy prevention

* States must also develop a plan for education on statutory rape

* States must ensure confidentiality as well as right to appeal and fair hearing process

* Must certify that the state will operate a foster care and adoption assistance program

* Must provide equitable access to assistance including Indians not served by a tribal TANF program

* Must certify standards to ensure against program fraud and abuse