

By: Representatives Cockerham, Anthony

To: Banking and Financial Services

HOUSE BILL NO. 1102
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 43-19-48, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE DEPARTMENT OF HUMAN SERVICES TO SEND NOTICE IN
3 OTHER APPROVED TYPES OF COMMUNICATION AS ALLOWED BY THE FINANCIAL
4 INSTITUTION RATHER THAN NOTICE REQUIRED BY CERTIFIED MAIL; TO
5 REVISE THE DEFINITION OF THE TERM "ACCOUNT" TO CONFORM TO THE
6 DEFINITION IN SECTION 85-13-1(F); AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 43-19-48, Mississippi Code of 1972, is
9 amended as follows:

10 43-19-48. (1) The Department of Human Services and
11 financial institutions doing business in the state are required to
12 enter into agreements:

13 (a) To develop and operate a data match system, using
14 automated data exchanges, in which each such financial institution
15 is required to provide for each calendar quarter the name, record
16 address, social security number or other taxpayer identification
17 number, and other identifying information for each noncustodial
18 parent who maintains an account at such institution and who owes
19 past-due support, as identified by the Department of Human



20 Services by name and social security number or other taxpayer
21 identification number;

22 (b) To encumber or surrender, as the case may be,
23 assets held by such institution on behalf of any noncustodial
24 parent who is subject to a child support lien; and

25 (c) To provide for payment of reasonable fees to
26 financial institutions for conducting data matches, and for
27 responding to other requests made pursuant to this section, with
28 such fees not to exceed the actual costs incurred by such
29 financial institutions.

30 (2) When the operation of such data match system results in
31 the location of an account of a noncustodial parent who owes
32 past-due support, or when such account is located through any
33 means, the department may request and shall receive additional
34 financial or other information including account numbers, names
35 and social security numbers on record for accounts, and account
36 balances, from any financial institution needed to establish,
37 modify or enforce a support order.

38 (3) The department shall have the authority to encumber and
39 seize assets held by an obligor in a financial institution doing
40 business in Mississippi. Such assets shall be encumbered for
41 either:

42 (a) A forty-five-day period; or

43 (b) Until such time as the issue of overdue support is
44 resolved, provided the obligor has filed a petition for hearing



45 with a court of appropriate jurisdiction and the financial
46 institution receives written notice thereof from the department
47 before the end of the said forty-five-day period.

48 (4) Notice of such encumbrance initiated by the department
49 shall be provided to the financial institution and to the obligor:

50 (a) The department shall send, by certified mail or
51 other approved types of communication as allowed by the financial
52 institution, notice to the financial institution with which the
53 account is placed, directing that the financial institution shall:

54 (i) Immediately encumber funds in any account(s)
55 in which the obligor has an interest, and to the extent of the
56 debt indicated in the notice from the department;

57 (ii) Forward the encumbered funds to the
58 department after either the forty-five-day period stated in
59 subsection (3)(a) of this section, or a determination favorable to
60 the department by a court of appropriate jurisdiction; or

61 (iii) In the event the obligor prevails before the
62 court, immediately release said funds to the obligor.

63 (b) Notice shall be delivered to the obligor at the
64 current mailing address as recorded by the department. Such
65 notice shall be sent by regular mail at the commencement of the
66 action described herein.

67 (c) The financial institution shall not disclose to an
68 account holder or the depositor that the name of such person has
69 been received from or furnished to the department. The financial



70 institution shall disclose to its account holders or its
71 depositors that under the data match system the department has the
72 authority to request certain identifying information on the
73 account holders' or the depositor's accounts.

74 (5) Challenges to encumbrance of an account:

75 (a) Challenges to such levy for child support arrearage
76 may be initiated only by the obligor or by an account holder of
77 interest.

78 (b) Challenges shall be made by the filing of a
79 petition for hearing by the obligor in a court of appropriate
80 jurisdiction under Rule 81(d)(2) of the Mississippi Rules of Civil
81 Procedure. Service upon the department shall be as prescribed by
82 Rule 4(d)(5) of the Mississippi Rules of Civil Procedure.

83 (c) Grounds for the petition challenging the
84 encumbrance shall be limited to:

85 (i) Mistakes of identity; or

86 (ii) Mistakes in amount of overdue support.

87 (6) Liability of the financial institution and the
88 department:

89 (a) Neither the department nor the financial
90 institution shall be liable for any applicable early withdrawal
91 penalties on the obligor's account(s).

92 (b) A financial institution shall be absolutely immune
93 from any civil liability under any law or regulation to any person
94 for the disclosure of or failure to disclose any information



95 pursuant to this chapter or for the escrow, encumbrance, seizure
96 or surrender of any assets held by the financial institution in
97 response to any notice issued by the Department of Human Services,
98 the Child Support Unit or any contractors or agents thereof unless
99 the disclosure or failure to disclose was willful or intentional,
100 or for any other action taken in good faith to comply with the
101 requirements of this chapter.

102 (7) Any amount encumbered and forwarded by the financial
103 institution under this section shall not exceed the arrearage owed
104 by the obligor.

105 (8) The provisions herein and any other relevant sections
106 shall be employed equally by authorized contractors of the
107 department to collect delinquent support payments.

108 (9) A financial institution shall not be liable under
109 federal or state law to any person:

110 (a) For any disclosure of information to the Department
111 of Human Services;

112 (b) For encumbering or forwarding any assets held by
113 such financial institution in response to a notice of lien or
114 levy;

115 (c) For any other action taken in good faith to comply
116 with the requirements of subsection (1) (a) or (b) above.

117 (10) **Definitions.** For purposes of this section:

118 (a) The term "financial institution" has the meaning
119 given to such by Section 81-12-3, Mississippi Code of 1972, and



120 shall include, but not be limited to, credit unions, stock
121 brokerages, public or private entities administering retirement,
122 savings, annuities, life insurance and/or pension funds;

123 (b) The term "account" means any money held in the name
124 of the account owner individually or jointly with another,
125 including, but not limited to, a * * * deposit account, demand
126 account, member account, time certificate of deposit, share
127 account, checking or negotiable withdrawal order account, savings
128 account, time deposit account or money-market mutual fund account.

129 (11) Failure to comply with the provisions of this section
130 or the willful rendering of false information shall subject the
131 financial institution to a fine of not less than One Thousand
132 Dollars (\$1,000.00).

133 **SECTION 2.** This act shall take effect and be in force from
134 and after July 1, 2024.

