
By: **Delegate Doory**

Introduced and read first time: February 6, 2002

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Child Support - Financial Institutions - Garnishment of Accounts**

3 FOR the purpose of requiring a financial institution to submit certain information to
4 the Child Support Enforcement Administration; authorizing the Administration
5 to seize and attach certain assets from an account or accounts of an obligor
6 under certain circumstances; requiring the Administration to send a notice
7 containing certain information to a financial institution, an obligor, and an
8 account holder of interest under certain circumstances; providing an obligor or
9 an account holder of interest the right to challenge a decision by the
10 Administration under certain circumstances; providing an obligor or an account
11 holder of interest the right to appeal the findings of the Administration after the
12 Administration has reviewed a challenge filed by the obligor or an account
13 holder of interest; providing for the right of a challenging party and the
14 Administration to withdraw a request for challenge or appeal; requiring the
15 Administration to take certain actions after completion of a challenge or appeal;
16 providing that a financial institution that complies with this Act is not liable for
17 certain actions; requiring the Administration to reimburse certain account
18 holders of interest under certain circumstances; providing a certain exception
19 for disclosures by fiduciary institutions; defining certain terms; altering certain
20 definitions; and generally relating to the Child Support Enforcement
21 Administration and the garnishment of accounts.

22 BY renumbering

23 Article - Family Law
24 Section 10-108.3 through 10-108.5, respectively
25 to be Section 10-108.5 through 10-108.7, respectively
26 Annotated Code of Maryland
27 (1999 Replacement Volume and 2001 Supplement)

28 BY repealing and reenacting, with amendments,

29 Article - Family Law
30 Section 10-108.2
31 Annotated Code of Maryland
32 (1999 Replacement Volume and 2001 Supplement)

1 BY adding to
2 Article - Family Law
3 Section 10-108.3 and 10-108.4
4 Annotated Code of Maryland
5 (1999 Replacement Volume and 2001 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article - Financial Institutions
8 Section 1-302
9 Annotated Code of Maryland
10 (1998 Replacement Volume and 2001 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That Section(s) 10-108.3 through 10-108.5, respectively, of Article -
13 Family Law of the Annotated Code of Maryland be renumbered to be Section(s)
14 10-108.5 through 10-108.7, respectively.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 **Article - Family Law**

18 10-108.2.

19 (a) (1) In this section[,] AND IN § 10-108.3 OF THIS SUBTITLE ["financial
20 institution" means] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

21 (2) (I) "ACCOUNT" MEANS:

22 1. ANY FUNDS FROM A DEMAND DEPOSIT ACCOUNT,
23 CHECKING ACCOUNT, NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNT, SAVINGS
24 ACCOUNT, TIME DEPOSIT ACCOUNT, MONEY MARKET MUTUAL FUND ACCOUNT, OR
25 CERTIFICATE OF DEPOSIT ACCOUNT;

26 2. ANY FUNDS PAID TOWARDS THE PURCHASE OF SHARES
27 OR OTHER INTEREST IN A FINANCIAL INSTITUTION, AS DEFINED IN PARAGRAPH
28 (4)(II) OF THIS SUBSECTION; AND

29 3. ANY FUNDS OR PROPERTY HELD BY A FINANCIAL
30 INSTITUTION, AS DEFINED IN PARAGRAPH (4)(III) OF THIS SUBSECTION.

31 (II) "ACCOUNT" DOES NOT INCLUDE:

32 1. AN ACCOUNT OR PORTION OF AN ACCOUNT TO WHICH AN
33 OBLIGOR DOES NOT HAVE ACCESS DUE TO THE PLEDGE OF THE FUNDS AS SECURITY
34 FOR A LOAN OR OTHER OBLIGATION;

1 2. FUNDS OR PROPERTY DEPOSITED TO AN ACCOUNT AFTER
2 THE TIME THAT THE FINANCIAL INSTITUTION INITIALLY ATTACHES THE ACCOUNT;

3 3. AN ACCOUNT OR PORTION OF AN ACCOUNT TO WHICH
4 THE FINANCIAL INSTITUTION HAS A PRESENT RIGHT TO EXERCISE A RIGHT OF
5 SETOFF; OR

6 4. BASED ON THE FINANCIAL INSTITUTION'S RECORDS, AN
7 ACCOUNT FOR WHICH THE OBLIGOR APPEARS TO BE ACTING SOLELY IN A
8 REPRESENTATIVE CAPACITY FOR ANOTHER PERSON OR PERSONS.

9 (3) "ACCOUNT HOLDER OF INTEREST" MEANS ANY PERSON, OTHER
10 THAN THE OBLIGOR, WHO ASSERTS AN OWNERSHIP INTEREST IN AN ACCOUNT.

11 (4) "FINANCIAL INSTITUTION" MEANS:

12 [(1)] (I) a depository institution, as defined in the Federal Deposit
13 Insurance Act at 12 U.S.C. § 1813(c);

14 [(2)] (II) a federal credit union or State credit union, as defined in the
15 Federal Credit Union Act at 12 U.S.C. § 1752; or

16 [(3)] (III) a benefit association, insurance company, safe deposit
17 company, money-market mutual fund, or similar entity doing business in the State
18 that holds property or maintains accounts reflecting property belonging to others.

19 (b) To carry out the purposes of this section, the Administration may request
20 from any financial institution information and assistance to enable the
21 Administration to enforce the liability of a parent to support a child of the parent.

22 (c) (1) The Administration may request not more than four times a year
23 from a financial institution the information set forth in subsection (d)(2) of this
24 section concerning any obligor in arrears in paying child support through a support
25 enforcement agency.

26 (2) A request for information by the Administration under paragraph (1)
27 of this subsection shall:

28 (i) contain:

29 1. the full name of the obligor and any other names known to
30 be used by the obligor; and

31 2. the Social Security number or other taxpayer
32 identification number of the obligor; and

33 (ii) be transmitted to the financial institution in an electronic
34 format unless the financial institution specifically asks the Administration to submit
35 the request in writing.

1 (d) (1) Within 30 days after a financial institution receives a request for
2 information under subsection (c) of this section, the financial institution shall
3 [submit a report to the Administration];

4 (I) NOTIFY THE ADMINISTRATION THAT THE FINANCIAL
5 INSTITUTION SUBMITS REPORTS INDIRECTLY THROUGH THE FEDERAL PARENT
6 LOCATOR SERVICE UNDER 42 U.S.C. § 666(A)(17); OR

7 (II) WITH RESPECT TO EACH OBLIGOR WHOSE NAME THE
8 ADMINISTRATION SUBMITTED TO THE FINANCIAL INSTITUTION AND WHO
9 MAINTAINS AN ACCOUNT WITH THE FINANCIAL INSTITUTION, SUBMIT A REPORT TO
10 THE ADMINISTRATION.

11 (2) The report [, with respect to each obligor whose name was submitted
12 to the financial institution and who maintains an account with the financial
13 institution, shall contain] DESCRIBED IN PARAGRAPH (1)(II) OF THIS SUBSECTION
14 SHALL CONTAIN, TO THE EXTENT REFLECTED IN THE RECORDS OF THE FINANCIAL
15 INSTITUTION:

16 (i) the full name of the obligor;

17 (ii) the address of the obligor;

18 (iii) the Social Security or other taxpayer identification number of
19 the obligor;

20 (iv) any other identifying information needed to assure positive
21 identification of the obligor; and

22 (v) FOR EACH ACCOUNT OF THE OBLIGOR, the obligor's account
23 number and balance.

24 (3) [The report required under paragraph (2)] A REPORT SUBMITTED
25 UNDER PARAGRAPH (1)(II) of this subsection shall be provided to the Administration
26 in machine readable form.

27 (4) The Administration shall pay the financial institution a reasonable
28 fee, not to exceed the actual costs incurred by the financial institution to comply with
29 the requirements of this [subsection] SECTION AND § 10-108.3 OF THIS SUBTITLE
30 INCLUDING COSTS FOR:

31 (I) COMPILING AND PROVIDING REPORTS TO THE
32 ADMINISTRATION;

33 (II) COMPILING AND PROVIDING REPORTS THROUGH THE FEDERAL
34 PARENT LOCATOR SERVICE, BUT IN SUCH A CASE THE ACTUAL COSTS OF THE
35 FINANCIAL INSTITUTION SHALL BE BASED ON A PERCENTAGE OF THE FINANCIAL
36 INSTITUTION'S TOTAL ACTUAL COST, WHICH PERCENTAGE SHALL BE DETERMINED
37 BY DIVIDING THE TOTAL NUMBER OF ACCOUNTS MAINTAINED BY THE FINANCIAL
38 INSTITUTION IN MARYLAND BY THE TOTAL NUMBER OF ACCOUNTS MAINTAINED BY

1 THE FINANCIAL INSTITUTION FOR ALL JURISDICTIONS INCLUDED IN THE REPORT;
2 AND

3 (III) NECESSARY UPGRADES TO EXISTING COMPUTER, SOFTWARE,
4 OR OTHER DATA COMPILATION SYSTEMS THAT ARE DIRECTLY RELATED TO
5 COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION AND § 10-108.3 OF THIS
6 SUBTITLE.

7 (5) The Administration may institute civil proceedings to enforce this
8 section.

9 (e) A financial institution that complies with a request from the
10 Administration [made under this section] BY NOTIFYING THE ADMINISTRATION OR
11 SUBMITTING A REPORT TO THE ADMINISTRATION IN ACCORDANCE WITH
12 SUBSECTION (D) OF THIS SECTION is not liable under State law to any person for any:

13 (1) disclosure of information to the Administration under this section; or

14 (2) other action taken in good faith to comply with the requirements of
15 this section.

16 10-108.3.

17 (A) (1) IF AN OBLIGOR IDENTIFIED IN A REPORT SUBMITTED UNDER
18 SECTION 10-108.2 OF THIS SUBTITLE OR IN A REPORT MADE TO THE FEDERAL
19 PARENT LOCATOR SERVICE UNDER 42 U.S.C. § 666(A)(17) IS \$500 OR MORE IN ARREARS
20 OF A CHILD SUPPORT OBLIGATION AND HAS NOT PAID CHILD SUPPORT FOR MORE
21 THAN 60 DAYS, THE ADMINISTRATION MAY INSTITUTE AN ACTION TO ATTACH AND
22 SEIZE THE AMOUNT OF THE ARREARAGE IN ONE OR MORE OF THE ACCOUNTS OF
23 THE OBLIGOR WITH A FINANCIAL INSTITUTION TO SATISFY THE AMOUNT OF
24 ARREARAGE OWED BY THE OBLIGOR.

25 (2) BEFORE ATTACHING AND SEIZING THE OBLIGOR'S ACCOUNTS, THE
26 ADMINISTRATION SHALL SEND A NOTICE TO THE OBLIGOR AT THE OBLIGOR'S LAST
27 KNOWN ADDRESS ADVISING THE OBLIGOR OF THE ENFORCEMENT ACTIONS THAT
28 MAY BE TAKEN, INCLUDING THAT THE OBLIGOR'S ACCOUNTS MAY BE SUBJECT TO
29 GARNISHMENT FOR PAYMENT OF A CHILD SUPPORT ARREARAGE.

30 (B) (1) IF THE ADMINISTRATION INSTITUTES AN ACTION AGAINST AN
31 OBLIGOR UNDER SUBSECTION (A) OF THIS SECTION, THE ADMINISTRATION SHALL
32 SEND A NOTICE TO THE FINANCIAL INSTITUTION IN WHICH ONE OR MORE OF THE
33 OBLIGOR'S ACCOUNTS ARE LOCATED, BY CERTIFIED MAIL, RETURN RECEIPT
34 REQUESTED, OR BY OTHER METHOD ACCEPTABLE TO THE FINANCIAL INSTITUTION,
35 AT THE ADDRESS DESIGNATED FOR THIS PURPOSE BY THE FINANCIAL INSTITUTION
36 OR, IF NO ADDRESS HAS BEEN DESIGNATED, TO THE PRINCIPAL OFFICE OF THE
37 FINANCIAL INSTITUTION.

38 (2) THE NOTICE SHALL CONTAIN THE FOLLOWING INFORMATION, TO
39 THE EXTENT KNOWN BY THE ADMINISTRATION:

1 (I) THE ADDRESS OF THE ADMINISTRATION;

2 (II) THE TELEPHONE NUMBER, ADDRESS, AND NAME OF A
3 CONTACT PERSON AT THE ADMINISTRATION;

4 (III) THE NAME AND SOCIAL SECURITY NUMBER OR OTHER
5 TAXPAYER IDENTIFICATION NUMBER OF THE OBLIGOR;

6 (IV) THE ADDRESS OF THE OBLIGOR;

7 (V) FOR EACH ACCOUNT OF THE OBLIGOR, THE OBLIGOR'S
8 ACCOUNT NUMBER AND KNOWN BALANCE WITH THE FINANCIAL INSTITUTION;

9 (VI) THE AMOUNT OF ARREARAGE THAT THE FINANCIAL
10 INSTITUTION SHALL SEIZE AND ATTACH FROM ONE OR MORE OF THE ACCOUNTS OF
11 THE OBLIGOR; AND

12 (VII) A STATEMENT INSTRUCTING THE FINANCIAL INSTITUTION TO
13 IMMEDIATELY ATTACH AND SEIZE THE AMOUNT OF ARREARAGE STATED IN ITEM (VI)
14 OF THIS PARAGRAPH FROM ONE OR MORE OF THE ACCOUNTS OF THE OBLIGOR AND,
15 UPON SUBSEQUENT NOTICE BY THE ADMINISTRATION, TO FORWARD THE AMOUNT
16 TO THE ADMINISTRATION.

17 (C) (1) ON RECEIPT OF THE NOTICE UNDER SUBSECTION (B) OF THIS
18 SECTION, THE FINANCIAL INSTITUTION SHALL PROMPTLY SEIZE AND ATTACH FROM
19 ONE OR MORE OF THE ACCOUNTS IDENTIFIED IN THE ADMINISTRATION'S NOTICE TO
20 THE FINANCIAL INSTITUTION AN AGGREGATE AMOUNT EQUAL TO THE LESSER OF
21 THE AMOUNTS IN ALL ACCOUNTS OR THE AMOUNT STATED IN THE NOTICE.

22 (2) AN ACCOUNT IDENTIFIED IN THE ADMINISTRATION'S NOTICE TO
23 THE FINANCIAL INSTITUTION SHALL BE HELD AS REQUIRED IN PARAGRAPH (1) OF
24 THIS SUBSECTION REGARDLESS OF WHETHER THE OBLIGOR MAINTAINS THE
25 ACCOUNT ALONE OR WITH ANOTHER PERSON OR PERSONS WHO ARE NOT OBLIGORS,
26 INCLUDING A SPOUSE OF THE OBLIGOR.

27 (3) (I) NOT LATER THAN 30 DAYS AFTER THE FINANCIAL INSTITUTION
28 RECEIVES THE NOTICE DIRECTING IT TO SEIZE AND ATTACH ACCOUNTS OF THE
29 OBLIGOR, THE FINANCIAL INSTITUTION SHALL SEND NOTICE TO THE
30 ADMINISTRATION BY REGULAR MAIL SPECIFYING THE AGGREGATE AMOUNT HELD
31 UNDER THIS SUBSECTION.

32 (II) IF AN ACCOUNT THAT HAS BEEN SEIZED AND ATTACHED IS
33 MAINTAINED BY THE OBLIGOR WITH ONE OR MORE ACCOUNT HOLDERS OF
34 INTEREST AS REFLECTED ON THE RECORDS OF THE FINANCIAL INSTITUTION, THE
35 FINANCIAL INSTITUTION'S NOTICE TO THE ADMINISTRATION SHALL STATE THAT
36 FACT AND SHALL PROVIDE, TO THE EXTENT REFLECTED IN THE FINANCIAL
37 INSTITUTION'S RECORDS, THE NAME AND ADDRESS OF THE OTHER PERSON OR
38 PERSONS.

1 (4) (I) THE FINANCIAL INSTITUTION MAY ASSESS A FEE AGAINST THE
2 ACCOUNTS OR THE OBLIGOR, IN ADDITION TO THE AMOUNT IDENTIFIED IN THE
3 NOTICE UNDER SUBSECTION (B) OF THIS SECTION.

4 (II) IN THE CASE OF INSUFFICIENT FUNDS TO COVER BOTH THE
5 FEE AND THE AMOUNT IDENTIFIED IN THE NOTICE UNDER SUBSECTION (B) OF THIS
6 SECTION, THE FINANCIAL INSTITUTION MAY FIRST DEDUCT AND RETAIN THE FEE
7 FROM THE AMOUNT SEIZED AND ATTACHED AS PROVIDED IN THIS SECTION.

8 (5) THE FINANCIAL INSTITUTION MAY NOT BE HELD LIABLE TO ANY
9 PERSON, INCLUDING THE ADMINISTRATION, THE OBLIGOR, OR ANY PERSON NAMED
10 ON THE ACCOUNT, FOR WRONGFUL DISHONOR OR FOR ANY OTHER CLAIM RELATING
11 TO THE SEIZURE AND ATTACHMENT OF THE ACCOUNT OR OTHER ACTIONS TAKEN IN
12 COMPLIANCE WITH THIS SECTION.

13 (D) (1) WITHIN 2 DAYS AFTER THE ADMINISTRATION HAS RECEIVED THE
14 RETURN RECEIPT FROM THE NOTICE SENT TO THE FINANCIAL INSTITUTION UNDER
15 SUBSECTION (B) OF THIS SECTION, THE ADMINISTRATION SHALL PROMPTLY SEND A
16 NOTICE TO THE OBLIGOR, BY REGULAR MAIL, TO THE OBLIGOR'S LAST KNOWN
17 ADDRESS, OR IF THE HOME ADDRESS IS NOT KNOWN, TO THE PLACE OF LAST KNOWN
18 EMPLOYMENT.

19 (2) THE NOTICE SHALL CONTAIN THE FOLLOWING INFORMATION, TO
20 THE EXTENT KNOWN BY THE ADMINISTRATION:

21 (I) THE ADDRESS OF THE ADMINISTRATION;

22 (II) THE TELEPHONE NUMBER, ADDRESS, AND NAME OF A
23 CONTACT PERSON AT THE ADMINISTRATION;

24 (III) THE NAME AND SOCIAL SECURITY NUMBER OR OTHER
25 TAXPAYER IDENTIFICATION NUMBER OF THE OBLIGOR;

26 (IV) THE ADDRESS OF THE OBLIGOR;

27 (V) FOR EACH ACCOUNT OF THE OBLIGOR, THE OBLIGOR'S
28 ACCOUNT NUMBER AND KNOWN BALANCES WITH THE FINANCIAL INSTITUTION;

29 (VI) THE TOTAL AMOUNT OF THE ARREARAGE OWED BY THE
30 OBLIGOR;

31 (VII) THE DATE THE NOTICE IS BEING SENT;

32 (VIII) A STATEMENT INFORMING THE OBLIGOR THAT THE
33 ADMINISTRATION HAS DIRECTED THE FINANCIAL INSTITUTION TO SEIZE AND
34 ATTACH THE AMOUNT OF THE ARREARAGE OWED BY THE OBLIGOR FROM ONE OR
35 MORE OF THE ACCOUNTS OF THE OBLIGOR AND, UPON SUBSEQUENT NOTICE BY THE
36 ADMINISTRATION, TO FORWARD THE AMOUNT TO THE ADMINISTRATION; AND

1 (IX) A STATEMENT INFORMING THE OBLIGOR THAT, UNLESS A
2 TIMELY CHALLENGE IS MADE TO THE ADMINISTRATION BY THE OBLIGOR OR AN
3 ACCOUNT HOLDER OF INTEREST UNDER SUBSECTION (G) OF THIS SECTION, THE
4 ADMINISTRATION SHALL NOTIFY THE FINANCIAL INSTITUTION TO FORWARD THE
5 AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION TO THE
6 ADMINISTRATION.

7 (E) (1) WITHIN 2 DAYS AFTER RECEIPT OF INFORMATION FROM THE
8 FINANCIAL INSTITUTION UNDER SUBSECTION (C) OF THIS SECTION, THE
9 ADMINISTRATION SHALL PROMPTLY SEND A NOTICE TO ANY KNOWN ACCOUNT
10 HOLDER OF INTEREST, BY REGULAR MAIL, TO THE ADDRESS PROVIDED BY THE
11 FINANCIAL INSTITUTION UNDER SUBSECTION (C) OF THIS SECTION.

12 (2) THE NOTICE SHALL CONTAIN THE FOLLOWING INFORMATION, TO
13 THE EXTENT KNOWN BY THE ADMINISTRATION:

14 (I) THE ADDRESS OF THE ADMINISTRATION;

15 (II) THE TELEPHONE NUMBER, ADDRESS, AND NAME OF A
16 CONTACT PERSON AT THE ADMINISTRATION;

17 (III) THE NAME AND SOCIAL SECURITY NUMBER OR OTHER
18 TAXPAYER IDENTIFICATION NUMBER OF THE OBLIGOR;

19 (IV) THE ADDRESS OF THE OBLIGOR;

20 (V) FOR EACH ACCOUNT OF THE OBLIGOR, THE OBLIGOR'S
21 ACCOUNT NUMBER WITH THE FINANCIAL INSTITUTION;

22 (VI) THE DATE THE NOTICE IS BEING SENT;

23 (VII) A STATEMENT INFORMING THE ACCOUNT HOLDER OF
24 INTEREST THAT THE ADMINISTRATION HAS DIRECTED THE FINANCIAL INSTITUTION
25 TO SEIZE AND ATTACH THE AMOUNT OF THE ARREARAGE OWED BY THE OBLIGOR
26 FROM ONE OR MORE OF THE ACCOUNTS OF THE OBLIGOR AND, UPON SUBSEQUENT
27 NOTICE BY THE ADMINISTRATION, TO FORWARD THE AMOUNT TO THE
28 ADMINISTRATION; AND

29 (VIII) A STATEMENT INFORMING THE ACCOUNT HOLDER OF
30 INTEREST THAT, UNLESS A TIMELY CHALLENGE IS MADE TO THE ADMINISTRATION
31 BY THE OBLIGOR OR AN ACCOUNT HOLDER OF INTEREST UNDER SUBSECTION (G) OF
32 THIS SECTION, THE ADMINISTRATION SHALL NOTIFY THE FINANCIAL INSTITUTION
33 TO FORWARD THE AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION
34 TO THE ADMINISTRATION.

35 (F) IF A TIMELY CHALLENGE IS NOT MADE BY THE OBLIGOR OR AN ACCOUNT
36 HOLDER OF INTEREST UNDER SUBSECTION (H) OF THIS SECTION, THE
37 ADMINISTRATION SHALL SEND A NOTICE TO THE FINANCIAL INSTITUTION, IN THE
38 MANNER SPECIFIED IN SUBSECTION (B) OF THIS SECTION, DIRECTING THE

1 INSTITUTION TO FORWARD THE AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL
2 INSTITUTION TO THE ADMINISTRATION.

3 (G) THE ADMINISTRATION SHALL APPLY THE AMOUNT SEIZED AND
4 FORWARDED BY THE FINANCIAL INSTITUTION TO THE OBLIGOR'S CHILD SUPPORT
5 ARREARS. IF THE OBLIGOR HAS MORE THAN ONE CHILD SUPPORT CASE WITH
6 ARREARS, THE ADMINISTRATION SHALL ALLOCATE THE AMOUNT RECEIVED AMONG
7 ONE OR MORE OF THE OBLIGOR'S CASES, AS DETERMINED APPROPRIATE BY THE
8 ADMINISTRATION.

9 (H) (1) AN OBLIGOR OR AN ACCOUNT HOLDER OF INTEREST MAY
10 CHALLENGE THE ACTIONS OF THE ADMINISTRATION UNDER THIS SECTION.

11 (2) A CHALLENGE UNDER THIS SUBSECTION SHALL:

12 (I) BE IN WRITING;

13 (II) BE RECEIVED BY THE ADMINISTRATION WITHIN 30 DAYS FROM
14 THE DATE OF THE NOTICE UNDER SUBSECTION (D) OF THIS SECTION OR, IF THERE IS
15 AN ACCOUNT HOLDER OF INTEREST OTHER THAN THE OBLIGOR, WITHIN 30 DAYS
16 AFTER THE DATE OF THE NOTICE UNDER SUBSECTION (E) OF THIS SECTION;

17 (III) BE SENT TO THE CONTACT PERSON IDENTIFIED IN THE NOTICE
18 SENT TO THE OBLIGOR UNDER SUBSECTION (D) OF THIS SECTION OR THE NOTICE
19 SENT TO AN ACCOUNT HOLDER OF INTEREST UNDER SUBSECTION (E) OF THIS
20 SECTION; AND

21 (IV) SPECIFY, IN DETAIL, THE REASONS FOR THE CHALLENGE.

22 (3) AN OBLIGOR OR ACCOUNT HOLDER OF INTEREST MAY NOT
23 CHALLENGE THE ACTIONS OF THE ADMINISTRATION ON ISSUES RELATED TO
24 VISITATION, CUSTODY, OR OTHER MATTERS NOT RELATED TO AN ACCOUNT.

25 (I) (1) UPON RECEIPT OF A CHALLENGE UNDER SUBSECTION (G) OF THIS
26 SECTION, THE ADMINISTRATION SHALL REVIEW THE CHALLENGE IN ACCORDANCE
27 WITH THIS SUBSECTION.

28 (2) (I) THE ADMINISTRATION SHALL RELEASE OR REDUCE THE
29 AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION FOR A MISTAKE
30 OF FACT, INCLUDING:

- 31 1. A MISTAKE IN THE IDENTITY OF THE OBLIGOR;
- 32 2. A MISTAKE IN THE OWNERSHIP OF AN ACCOUNT;
- 33 3. A MISTAKE IN THE CONTENTS OF AN ACCOUNT; OR
- 34 4. A MISTAKE IN THE AMOUNT OF ARREARAGE DUE.

35 (II) IF AN ACCOUNT SEIZED AND ATTACHED BY THE FINANCIAL
36 INSTITUTION IS A JOINT ACCOUNT, THERE IS A PRESUMPTION THAT THE CONTENTS

1 BELONG TO THE OBLIGOR UNLESS REBUTTED BY CLEAR AND CONVINCING
2 EVIDENCE.

3 (3) THE ADMINISTRATION SHALL SEND A NOTICE TO THE FINANCIAL
4 INSTITUTION, IN THE MANNER SPECIFIED IN SUBSECTION (B) OF THIS SECTION,
5 DIRECTING THE FINANCIAL INSTITUTION TO RELEASE THE AMOUNT SEIZED AND
6 ATTACHED BY THE FINANCIAL INSTITUTION IF THE ADMINISTRATION DETERMINES
7 THAT A MISTAKE OF FACT HAS OCCURRED.

8 (4) THE ADMINISTRATION SHALL SEND A NOTICE TO THE FINANCIAL
9 INSTITUTION, IN THE MANNER SPECIFIED IN SUBSECTION (B) OF THIS SECTION,
10 DIRECTING THE FINANCIAL INSTITUTION TO REDUCE THE AMOUNT SEIZED AND
11 ATTACHED TO THE REVISED AMOUNT STATED AND TO RELEASE THE EXCESS
12 AMOUNT IF THE ADMINISTRATION DETERMINES THAT:

13 (I) THE AMOUNT OWED BY THE OBLIGOR IS LESS THAN THE
14 AMOUNT ORIGINALLY INDICATED ON THE NOTICE UNDER SUBSECTION (B) OF THIS
15 SECTION; OR

16 (II) THE OBLIGOR DOES NOT HAVE AN OWNERSHIP INTEREST IN
17 ONE OR MORE OF THE ACCOUNTS SEIZED AND ATTACHED OR A PORTION THEREOF.

18 (J) (1) THE ADMINISTRATION SHALL SEND BY REGULAR MAIL A NOTICE OF
19 ITS FINDINGS, INCLUDING A FINDING OF NO MISTAKE OF FACT, TO THE OBLIGOR
20 AND ANY OTHER CHALLENGING PARTY.

21 (2) THE NOTICE SHALL INFORM THE OBLIGOR OR THE CHALLENGING
22 PARTY OF THE RIGHT TO APPEAL THE DECISION OF THE ADMINISTRATION TO THE
23 OFFICE OF ADMINISTRATIVE HEARINGS.

24 (K) IF NO TIMELY APPEAL IS FILED, THE ADMINISTRATION SHALL SEND A
25 NOTICE TO THE FINANCIAL INSTITUTION, IN THE MANNER SPECIFIED IN
26 SUBSECTION (B) OF THIS SECTION, DIRECTING THE FINANCIAL INSTITUTION TO
27 FORWARD THE AMOUNT SPECIFIED IN THE NOTICE, INCLUDING ANY REVISED
28 AMOUNT UNDER SUBSECTION (I)(4) OF THIS SECTION, TO THE ADMINISTRATION.

29 (L) (1) AN APPEAL UNDER SUBSECTION (J) OF THIS SECTION SHALL BE
30 CONDUCTED IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE
31 GOVERNMENT ARTICLE.

32 (2) A REQUEST FOR APPEAL UNDER SUBSECTION (J) OF THIS SECTION
33 SHALL BE:

34 (I) IN WRITING; AND

35 (II) RECEIVED BY THE OFFICE OF ADMINISTRATIVE HEARINGS
36 WITHIN 30 DAYS AFTER THE NOTICE IS SENT TO THE OBLIGOR OR OTHER
37 CHALLENGING PARTY UNDER SUBSECTION (J) OF THIS SECTION.

1 (M) AFTER THE COMPLETION OF AN APPEAL UNDER SUBSECTION (J) OF THIS
2 SECTION, THE ADMINISTRATION SHALL:

3 (1) SEND A NOTICE TO THE FINANCIAL INSTITUTION, IN THE MANNER
4 SPECIFIED IN SUBSECTION (B) OF THIS SECTION, DIRECTING THE FINANCIAL
5 INSTITUTION TO RELEASE THE AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL
6 INSTITUTION IF THE OFFICE OF ADMINISTRATIVE HEARINGS FINDS THAT:

7 (I) THERE IS A MISTAKE OF IDENTITY;

8 (II) THE OBLIGOR DOES NOT HAVE AN OWNERSHIP INTEREST IN
9 THE CONTENTS OF ANY ACCOUNT HELD; OR

10 (III) THERE IS NO ARREARAGE;

11 (2) SEND A NOTICE TO THE FINANCIAL INSTITUTION, IN THE MANNER
12 SPECIFIED IN SUBSECTION (B) OF THIS SECTION, DIRECTING THE FINANCIAL
13 INSTITUTION TO RELEASE THE ATTACHMENT ON ANY AMOUNT IN EXCESS OF THE
14 REVISED AMOUNT STATED AND THAT THE REVISED AMOUNT STATED BE
15 FORWARDED TO THE ADMINISTRATION IF THE OFFICE OF ADMINISTRATIVE
16 HEARINGS FINDS THAT:

17 (I) THE OBLIGOR IS DELINQUENT, BUT THE AMOUNT OF THE
18 ARREARAGE IS LESS THAN THE AMOUNT INDICATED IN THE NOTICE UNDER
19 SUBSECTION (B) OF THIS SECTION OR IN A SUBSEQUENT NOTICE UNDER
20 SUBSECTION (I)(4) OF THIS SECTION; OR

21 (II) THE OBLIGOR DOES NOT HAVE OWNERSHIP INTEREST IN ONE
22 OR MORE OF THE ACCOUNTS SEIZED AND ATTACHED OR A PORTION OF THE
23 ACCOUNTS; OR

24 (3) SEND A NOTICE TO THE FINANCIAL INSTITUTION, IN THE MANNER
25 SPECIFIED IN SUBSECTION (B) OF THIS SECTION, DIRECTING THE FINANCIAL
26 INSTITUTION TO TRANSFER THE AMOUNTS SEIZED AND ATTACHED TO THE
27 ADMINISTRATION IF THE OFFICE OF ADMINISTRATIVE HEARINGS UPHOLDS THE
28 DETERMINATION OF THE ADMINISTRATION.

29 (N) (1) A CHALLENGING PARTY MAY WITHDRAW A REQUEST FOR
30 CHALLENGE OR APPEAL BY SUBMITTING A NOTICE OF THE WITHDRAWAL TO THE
31 PERSON IDENTIFIED AS THE CONTACT PERSON FOR THE ADMINISTRATION IN THE
32 NOTICE UNDER SUBSECTION (D) OR SUBSECTION (E) OF THIS SECTION, OR TO THE
33 OFFICE OF ADMINISTRATIVE HEARINGS.

34 (2) THE ADMINISTRATION MAY WITHDRAW THE NOTICE TO ATTACH
35 ACCOUNTS BY SENDING NOTICE TO THE FINANCIAL INSTITUTION, IN THE MANNER
36 SPECIFIED IN SUBSECTION (B) OF THIS SECTION, DIRECTING THE FINANCIAL
37 INSTITUTION TO RELEASE THE ATTACHMENT ON THE ACCOUNT.

38 (O) IF A DETERMINATION IS MADE BY THE ADMINISTRATION OR BY THE
39 OFFICE OF ADMINISTRATIVE HEARINGS THAT THE ACCOUNT OR ACCOUNTS OF THE

1 OBLIGOR SHOULD NOT HAVE BEEN HELD, THE ADMINISTRATION SHALL NOTIFY THE
2 FINANCIAL INSTITUTION, IN THE MANNER SPECIFIED IN SUBSECTION (B) OF THIS
3 SECTION, TO RELEASE THE AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL
4 INSTITUTION.

5 (P) A FINANCIAL INSTITUTION THAT COMPLIES WITH A REQUEST OR NOTICE
6 FROM THE ADMINISTRATION MADE UNDER THIS SECTION IS NOT LIABLE UNDER
7 STATE LAW TO ANY PERSON FOR:

8 (1) ANY DISCLOSURE OF INFORMATION TO THE ADMINISTRATION
9 UNDER THIS SECTION;

10 (2) SEIZING AND ATTACHING ANY AMOUNTS FROM AN ACCOUNT,
11 SENDING ANY AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION TO
12 THE ADMINISTRATION, OR RELEASING ALL OR A PART OF THE AMOUNT SEIZED AND
13 ATTACHED BY THE FINANCIAL INSTITUTION; OR

14 (3) ANY OTHER ACTION TAKEN IN GOOD FAITH TO COMPLY WITH THE
15 REQUIREMENTS OF THIS SECTION.

16 (Q) (1) NOTWITHSTANDING ANY OTHER STATUTORY PROVISIONS OR RULES
17 OF COURT THAT PROVIDE FOR THE EXECUTION, ATTACHMENT, GARNISHMENT, OR
18 LEVY AGAINST AN ACCOUNT, AND SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
19 THE ADMINISTRATION MAY UTILIZE THE PROCEDURES ESTABLISHED IN THIS
20 SECTION EXCLUSIVELY TO COLLECT DELINQUENT CHILD SUPPORT.

21 (2) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE
22 ADMINISTRATION FROM COLLECTING DELINQUENT CHILD SUPPORT IN ANY OTHER
23 MANNER AUTHORIZED BY LAW.

24 10-108.4.

25 (A) IF THE ADMINISTRATION INSTITUTES AN ACTION UNDER § 10-108.3(A) OF
26 THIS SUBTITLE AND NO OBLIGOR HAS ANY OWNERSHIP INTEREST IN A SEIZED
27 ACCOUNT AT THE TIME THE ADMINISTRATION INSTITUTES THE ACTION, THE
28 ADMINISTRATION SHALL REIMBURSE THE ACCOUNT HOLDERS OF INTEREST FOR
29 FEES INCURRED AS A RESULT OF INSTITUTING THE ACTION, INCLUDING:

30 (1) FEES ASSESSED BY THE FINANCIAL INSTITUTION AS A RESULT OF
31 THE ADMINISTRATION'S ACTION;

32 (2) FEES ASSESSED BY THE FINANCIAL INSTITUTION FOR
33 INSUFFICIENT FUNDS;

34 (3) FEES ASSESSED BY MERCHANTS FOR DISHONORED CHECKS; AND

35 (4) REASONABLE ATTORNEY'S FEES INCURRED BY THE ACCOUNT
36 HOLDERS OF INTEREST RELATED TO AN ADMINISTRATIVE OR JUDICIAL REVIEW OF
37 THE ADMINISTRATION'S DECISION TO INSTITUTE THE ACTION.

1 (B) AN ACCOUNT HOLDER OF INTEREST WHO WISHES TO REQUEST
2 REIMBURSEMENT UNDER THIS SECTION SHALL FILE A WRITTEN REQUEST WITHIN
3 60 DAYS AFTER THE ACCOUNT IS SEIZED. THE REQUEST SHALL INCLUDE COPIES OF
4 THE NOTICES OR OTHER PROOF OF THE ASSESSMENT OF FEES FOR WHICH
5 REIMBURSEMENT IS SOUGHT.

6 (C) THE ADMINISTRATION IS NOT REQUIRED TO REIMBURSE AN ACCOUNT
7 HOLDER OF INTEREST FOR FEES INCURRED IF:

8 (1) THE ACCOUNT HOLDER OF INTEREST FAILS TO MAKE A REQUEST
9 FOR REIMBURSEMENT WITHIN 60 DAYS AFTER THE ACCOUNT WAS SEIZED;

10 (2) THE ACCOUNT HOLDER OF INTEREST FAILS TO PROVIDE PROOF OF
11 THE ASSESSMENT OF FEES; OR

12 (3) THE FEES WERE INCURRED AS A RESULT OF A DEBIT MADE TO THE
13 ACCOUNT AFTER THE ACCOUNT HOLDER OF INTEREST HAD ACTUAL NOTICE OF THE
14 ACCOUNT SEIZURE.

15 (D) THIS SECTION DOES NOT APPLY TO FEES INCURRED AS A RESULT OF A
16 JUDICIAL GARNISHMENT.

17 (E) A FINANCIAL INSTITUTION HAS NO OBLIGATION TO REIMBURSE FEES
18 ASSESSED AS A RESULT OF THE ADMINISTRATION INSTITUTING AN ACTION UNDER §
19 10-108.3 OF THIS SUBTITLE OR AS OTHERWISE PERMITTED BY LAW OR AUTHORIZED
20 BY CONTRACT.

21

Article - Financial Institutions

22 1-302.

23 Except as otherwise expressly provided in this subtitle, a fiduciary institution,
24 its officers, employees, agents, and directors:

25 (1) May not disclose to any person any financial record relating to a
26 customer of the institution unless:

27 (i) The customer has authorized the disclosure to that person;

28 (ii) Proceedings have been instituted for appointment of a guardian
29 of the property or of the person of the customer, and court-appointed counsel presents
30 to the fiduciary institution an order of appointment or a certified copy of the order
31 issued by or under the direction or supervision of the court or an officer of the court;

32 (iii) The customer is disabled and a guardian is appointed or
33 qualified by a court, and the guardian presents to the fiduciary institution an order of
34 appointment or a certified copy of the order issued by or under the direction or
35 supervision of the court or an officer of the court;

1 (iv) The customer is deceased and a personal representative is
2 appointed or qualified by a court, and the personal representative presents to the
3 fiduciary institution letters of administration issued by or under the direction or
4 supervision of the court or an officer of the court;

5 (v) The Department of Human Resources requests the financial
6 record in the course of verifying the individual's eligibility for public assistance; or

7 (vi) The institution received a [request or subpoena] REQUEST,
8 NOTICE, OR SUBPOENA for information directly from the Child Support Enforcement
9 Administration of the Department of Human Resources under [§ 10-108.2 or §
10 10-108.4] § 10-108.2, § 10-108.3, OR § 10-108.5 of the Family Law Article or indirectly
11 through the Federal Parent Locator Service under 42 U.S.C. § 666(a)(17); and

12 (2) Shall disclose any information requested in writing by the
13 Department of Human Resources relative to moneys held in a savings deposit, time
14 deposit, demand deposit, or any other deposit held by the fiduciary institution in the
15 name of the individual who is a recipient or applicant for public assistance.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect October 1, 2002.