

2015 Regular Session

HOUSE BILL NO. 357

BY REPRESENTATIVE RITCHIE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BANKS/BANKING: Provides with respect to banks and financial institutions

1 AN ACT

2 To amend and reenact R.S. 6:333(F)(14) and (18), R.S. 46:236.1.4(A) and (C), and R.S.  
3 47:1677(A) and (F)(2), relative to financial disclosure authorizations; to require  
4 banks or their subsidiaries or affiliates to disclose certain information; to authorize  
5 financial institutions to provide certain information of joint account holders to the  
6 Department of Revenue; to authorize financial institutions to provide certain  
7 information of joint account holders to the Department of Children and Family  
8 Services; to provide for the payment of the reimbursement fee received by financial  
9 institutions conducting data match; to provide relative to the participation fee  
10 payment from the Department of Revenue; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 6:333(F)(14) and (18) are hereby amended and reenacted to read as  
13 follows:

14 §333. Disclosure of financial records; reimbursement of costs

15 \* \* \*

16 F. The following disclosures by a bank or any affiliate are hereby  
17 specifically authorized and, except as otherwise provided in this Subsection, nothing  
18 in this Section shall prohibit, restrict, or otherwise apply to:

19 \* \* \*

20 (14) The disclosure by a bank or any affiliate of data match information on  
21 an individual to the secretary of the Department of Children and Family Services, or

1 his designee in the office of children and family services, child support enforcement  
 2 section, for use in attempting to establish, modify, or enforce a child support  
 3 obligation of such individual. Such disclosure to the department shall be limited to  
 4 the name, record address, social security or taxpayer identification number, and an  
 5 average daily account balance for the most recent thirty-day period, of a noncustodial  
 6 parent who maintains an account at such institution and who owes past-due support  
 7 as identified by the state by name and social security or taxpayer identification  
 8 number. The disclosure authorization provided for in this Paragraph shall apply to  
 9 all co-owners listed on the applicable account.

10 \* \* \*

11 (18) The disclosure by a bank or any of its subsidiaries or affiliates of data  
 12 match information on an account owner to the secretary of the Department of  
 13 Revenue, and his ~~or her~~ designee in the office of debt recovery, for use in attempting  
 14 to enforce a final tax or non-tax assessment or judgment against such individual or  
 15 entity. Such disclosure to the department or office shall be limited to the name,  
 16 record address, social security or taxpayer identification number, other identifying  
 17 information, and an average daily account balance for the most recent thirty-day  
 18 period, of a state tax or state non-tax debtor who maintains an account or is a  
 19 customer at such institution and who purportedly owes a final state tax or state non-  
 20 tax assessment or judgment. The disclosure authorization provided for in this  
 21 Paragraph shall apply to all co-owners listed on the applicable account.

22 \* \* \*

23 Section 2. R.S. 46:236.1.4(A) and (C) are hereby amended and reenacted to read as  
 24 follows:

25 §236.1.4. Family and child support programs; financial institution duties;  
 26 responsibilities

27 A. A financial institution shall provide the name, record address, social  
 28 security number or other taxpayer identification number, other identifying  
 29 information and an average daily account balance for the most recent thirty-day

1 period for each calendar quarter for each noncustodial parent who maintains an  
2 account at such institution and who owes past due support. A financial institution  
3 may provide the information described in this Subsection pertaining to any co-owner  
4 listed on the applicable account.

5 \* \* \*

6 C. The Department of Children and Family Services may pay a reasonable  
7 reimbursement fee to a financial institution for conducting the data match, not to  
8 exceed the actual costs incurred by such financial institution. The reimbursement fee  
9 may be paid quarterly or annually at the end of the state fiscal year upon request of  
10 any financial institution. The department may require documentation proving actual  
11 cost incurred for all quarters once per state fiscal year. A financial institution  
12 complying with this Section shall be reimbursed for all quarters in a state fiscal year  
13 for which it complies with this Section and submits invoices by July 15 following the  
14 end of the state fiscal year.

15 \* \* \*

16 Section 3. R.S. 47:1677(A) and (F)(2) are hereby amended and reenacted to read as  
17 follows:

18 §1677. Financial institution data match

19 A. A financial institution or its processor shall provide to the department or  
20 the office, the name, record address, social security number or other taxpayer  
21 identification number, any other identifying information, and an average daily  
22 account balance for the most recent thirty-day period, for each calendar quarter for  
23 each account owner who maintains an account at such institution and who the office  
24 purports is a tax or nontax debtor. A financial institution may also provide the  
25 information described in this Subsection pertaining to any co-owner of such account.

26 \* \* \*

27 F.

28 \* \* \*



enforcement section, for the purposes of establishing, modifying, or enforcing a child support obligation.

Present law limits such disclosures to the name, record address, social security or taxpayer ID number, and an average daily account balance for the most recent 30-day period of a noncustodial parent who maintains an account with the bank or affiliate and who owes past-due support as identified by the state by the noncustodial parent's name and social security or taxpayer ID number. Proposed law retains present law and requires the disclosure authorization of present law to be made applicable to all persons who co-own an account with the noncustodial parent.

Present law authorizes a bank or its subsidiary or affiliate of data match to disclose certain account information of individuals to the secretary of the Department of Revenue (DOR) or his designee in the office of debt recovery, hereinafter "office", within the DOR, for purposes of enforcing a final tax or non-tax assessment or judgment against the individual or entity.

Present law limits such disclosures to the name, record address, social security or taxpayer ID number, other identifying information, and an average daily account balance for the most recent 30-day period of person who is: (1) a state tax or state non-tax debtor who maintains an account or (2) a customer of the bank, subsidiary, or affiliate, who purportedly owes a final state tax or state non-tax assessment or judgment. Proposed law retains present law and requires the disclosure authorization of present law to be made applicable to all persons who co-own an account with the state tax or state non-tax debtor, or customer.

Present law requires financial institutions to disclose to DCFS the name, record address, social security or taxpayer ID number, other identifying information, and an average daily account balance for the most recent 30-day period for each calendar quarter for each noncustodial parent owing past due support and who maintains an account at the financial institution. Proposed law retains present law and authorizes financial institutions to make the disclosures of present law applicable to all persons who co-own an account with the noncustodial parent.

Present law authorizes DCFS to pay a financial institution a reasonable fee not exceeding the actual cost incurred by such financial institution for conducting the data match. Proposed law retains present law and provides for the fee to be a reasonable reimbursement fee.

Proposed law authorizes the reimbursement fee to be paid quarterly or annually at the end of the state fiscal year upon request of any financial institution. Provides that DCFS may require documentation proving actual cost incurred for all quarters once per state fiscal year. Requires DCFS to reimburse a financial institution for all quarters in a state fiscal year that such financial institution complies with the provisions of both present law and proposed law, which includes the submission of invoices to DCFS by July 15 following the end of the state fiscal year.

Present law requires a financial institution or its processor to provide the DOR or office with the name, record address, social security or taxpayer ID number, any other identifying information, and an average daily account balance for the most recent 30-day period for each calendar quarter for each account owner who maintains an account at the financial institution and who the office purports is a tax or nontax debtor. Proposed law retains present law and authorizes a financial institution to provide this information for all persons who co-own an account with the purported tax or nontax debtor.

Present law requires the DOR or office to pay a participation fee to each financial institution that actually receives a data match request file. Further requires the participation fee to be paid for actual costs incurred for conducting the data match. To receive the participation fee, the financial institution must be FDIC insured. Proposed law retains present law.

Present law requires a financial institution to show that it has incurred costs under present law prior to receiving a participation fee. Further authorizes the DOR or office to require a financial institution to submit paperwork such as invoices and other documentation to substantiate the cost incurred. After actual costs are established by a financial institution, the office is required to automatically remit payment to the financial institution on a quarterly basis without the financial institution having to resubmit additional paperwork each quarter, though the office may periodically request additional paperwork, but not more than once every two years for the purpose of verifying actual costs incurred by the financial institution. Proposed law deletes this provision of present law.

Proposed law requires the participation fee to be paid annually at the end of the state fiscal year upon request of any financial institution submitting invoices or other documentation showing actual cost incurred in compliance with present law and proposed law. Further provides that DOR can require invoices or other documentation proving actual cost incurred to be submitted once per state fiscal year. In all circumstances, a financial institution that complies with present law and proposed law is required to be reimbursed by DOR its actual cost for all quarters in a state fiscal year that it complies with the provisions of present law and proposed law.

(Amends R.S. 6:333(F)(14) and (18), R.S. 46:236.1.4(A) and (C), and R.S. 47:1677(A) and (F)(2))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Restore present law that authorizes DCFS to pay a reasonable reimbursement fee to a financial institution not to exceed actual cost incurred by such institution for conducting data match.
2. Authorize the reimbursement fee to be paid quarterly or annually at the end of the state fiscal year upon request of such financial institution.
3. Provide that DCFS may require documentation proving actual cost incurred for all quarters once per state fiscal year.
4. Require DCFS to reimburse a financial institution for all quarters in a state fiscal year that such financial institution complies with the provisions of both present law and proposed law, including the submission of invoices to DCFS by July 15 following the end of the state fiscal year.
5. Make technical changes.