

Amend **HB 3876** (Senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection (g), Section 157.312, Family Code, is amended to read as follows:

(g) A child support lien under this subchapter may not be directed to an employer in lieu of an order or writ under Chapter 158 to withhold child support from ~~[attach to]~~ the disposable earnings of an obligor ~~[paid by the employer]~~.

SECTION _____. Section 157.314, Family Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) If a child support lien notice is delivered to a financial institution with respect to an account of the obligor, the institution shall immediately:

(1) provide the claimant with the last known address of the obligor and disclose to the claimant the amount in the account at the time of receipt of the notice; and

(2) notify any other person having an ownership interest in the account that the account has been frozen in an amount not to exceed the amount of the child support arrearage identified in the notice.

(e) On request, a financial institution to which a child support lien notice has been delivered shall provide the claimant with a statement showing all transactions involving the obligor's account that occurred from the date of receipt of the child support lien notice to the date of receipt of the request for information.

SECTION _____. Section 157.324, Family Code, is amended to read as follows:

Sec. 157.324. LIABILITY FOR FAILURE TO COMPLY WITH ORDER OR LIEN. (a) A person who knowingly pays over, releases, sells, transfers, encumbers, conveys, or otherwise disposes of property subject to a child support lien or who, after a foreclosure hearing, fails to surrender on demand nonexempt personal property as directed by a court under this subchapter is liable to the claimant in an amount equal to the greater of two times the value of the property paid over, released, sold, transferred, encumbered,

conveyed, or otherwise disposed of or not surrendered or \$5,000,
but not to exceed the amount of the child support arrearages for
which the lien or foreclosure judgment was issued.

(b) A claimant may recover costs and reasonable attorney's
fees incurred in an action under this section.

(c) Fifty percent of the amount paid by a person to the
claimant under Subsection (a) shall be credited against the child
support arrearages owed by the obligor.

(d) A financial institution is not liable under this section
for the disposition of assets in an account if the child support
lien does not contain either the account number or the social
security number of an account owner of record.

SECTION _____. Subsections (b) and (f), Section 157.327,
Family Code, are amended to read as follows:

(b) The notice under this section must:

(1) identify the amount of child support arrearages
owing at the time the amount of arrearages was determined or, if the
amount is less, the amount of arrearages owing at the time the
notice is prepared and delivered to the financial institution; and

(2) direct the financial institution to pay to the
claimant, not earlier than the 15th day or later than the 21st day
after the date of delivery of the notice, an amount from the assets
of the obligor or from funds due to the obligor at the time the levy
is paid that are held or controlled by the institution or that
should have been held or controlled by the institution, not to
exceed the amount of the child support arrearages identified in the
notice, unless:

(A) the institution is notified by the claimant
that the obligor has paid the arrearages or made arrangements
satisfactory to the claimant for the payment of the arrearages;

(B) the obligor or another person files, not
later than the 10th day after the date of delivery of the notice
required by Section 157.328, a suit under Section 157.323
requesting a hearing by the court; or

(C) if the claimant is the Title IV-D agency, the
obligor has requested an agency review under Section 157.328.

(f) A financial institution may collect any fees and costs

identified in Subsection (c) from the obligor but may not deduct those ~~[the]~~ fees and costs ~~[identified in Subsection (c)]~~ from the obligor's assets before paying the appropriate amount to the claimant.

SECTION _____. Section 157.330, Family Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) A person who possesses or has a right to property that is the subject of a notice of levy delivered to the person and who refuses or fails to timely surrender the property or right to property that should have been paid or delivered to the claimant on demand is liable to the claimant in an amount equal to the greater of two times the value of the property or right to property that should have been paid or delivered or \$5,000, ~~[not surrendered]~~ but ~~[that does]~~ not to exceed the amount of the child support arrearages for which the notice of levy has been filed.

(c) Fifty percent of the amount paid by a person to the claimant under Subsection (a) shall be credited against the child support arrearages owed by the obligor.

(d) A financial institution is not liable under this section for the disposition of assets in an account if the notice of levy does not contain either the account number or the social security number of an account owner of record.

SECTION _____. Subchapter G, Chapter 157, Family Code, is amended by adding Section 157.332 to read as follows:

Sec. 157.332. LIEN AND LEVY ON CERTAIN THIRD-PARTY ASSETS.

(a) If a claimant has reason to believe that an obligor's financial assets have been directed to a depository account of another individual in an attempt to protect those assets from a child support lien and levy under this subchapter, the claimant may file suit to obtain a judicial determination of the extent, if any, to which the account contains assets owned by the obligor.

(b) On filing suit under this section, the claimant shall also deliver a child support lien notice under this subchapter to the financial institution in which the account is maintained. On receipt of the notice, the financial institution shall immediately:

(1) freeze all assets in the account, except for

assets that exceed the amount of the child support arrearage identified in the notice, until a judicial determination is made in accordance with this section; and

(2) inform the account holder that the assets have been frozen and the account may not be closed until a judicial determination is made in accordance with this section.

(c) A child support lien notice required under Subsection (b) may be served on a financial institution in the manner authorized by Section 157.3145.

(d) Except as otherwise provided by this section, the procedures provided by Subchapter B apply to a suit under this section. The obligor must be joined as an additional respondent.

(e) After providing notice to the obligor, the account holder, any other person alleging an ownership interest in the account, the claimant, and the obligee, the court shall hold a hearing to determine the extent, if any, to which the account contains assets owned by the obligor that are subject to a child support lien and levy under this subchapter. The hearing must be held not later than the 30th day after the date suit is filed under this section.

(f) In the hearing required by Subsection (e), the claimant has the burden of proving the extent of the obligor's ownership interest in assets held in the account.

(g) Following the hearing required by Subsection (e):

(1) if the court determines that the account does not contain any of the obligor's assets that are subject to a child support lien and levy under this subchapter, the court shall:

(A) order the release of the lien against the account; and

(B) prohibit any action to levy on the account;
or

(2) if the court determines that the account contains any of the obligor's assets that are subject to a child support lien and levy under this subchapter, the court shall:

(A) specify the amount of assets in the account determined by the court to be the obligor's assets subject to a child support lien and levy under this subchapter; and

(B) order that the amount specified under Paragraph (A) be applied against child support arrearages owed by the obligor.

(h) A financial institution that freezes assets under Subsection (b)(1) or surrenders assets in compliance with a court order under Subsection (g)(2) is not liable to the obligor, the account holder, or any other person for the assets frozen or surrendered.

(i) In a suit filed under this section, the court may award attorney's fees and costs to the prevailing party.

SECTION _____. Section 34.001, Civil Practice and Remedies Code, is amended by adding Subsection (c) to read as follows:

(c) This section does not apply to a child support judgment or any other child support collection remedy authorized by the Family Code.

SECTION _____. The changes in law made by this Act to Section 157.312, Family Code, apply only to a child support lien notice filed on or after the effective date of this Act. A child support lien notice filed before the effective date of this Act is governed by the law in effect on the date the lien notice was filed, and the former law is continued in effect for that purpose.

SECTION _____. The changes in law made by this Act to Section 157.314 and Subsection (f), Section 157.327, Family Code, apply only to a financial institution that receives a lien notice or notice of levy under those sections on or after the effective date of this Act. A financial institution that receives a lien notice or notice of levy under those sections before the effective date of this Act is governed by the law in effect on the date the lien notice or notice of levy is received, and the former law is continued in effect for that purpose.

SECTION _____. The changes in law made by this Act to Section 34.001, Civil Practice and Remedies Code, apply to each child support judgment or collection remedy, regardless of the date on which the judgment is rendered or the remedy is sought.

(2) Strike SECTION 2 of the bill and substitute the following:

SECTION 2. The change in law made by this Act to Section

157.162, Family Code, applies only to a motion for enforcement that is filed on or after the effective date of this Act. A motion for enforcement filed before the effective date of this Act is governed by the law in effect immediately before that date, and the former law is continued in effect for that purpose.