

HOUSE BILL NO. 591
INTRODUCED BY PHILLIPS

IN THE HOUSE

FEBRUARY 6, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
FEBRUARY 7, 1989	FIRST READING.
FEBRUARY 18, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED. PRINTING REPORT.
FEBRUARY 20, 1989	SECOND READING, DO PASS.
FEBRUARY 21, 1989	ENGROSSING REPORT. THIRD READING, PASSED. AYES, 98; NOES, 1. TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY. FIRST READING.
MARCH 15, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 17, 1989	SECOND READING, CONCURRED IN.
MARCH 20, 1989	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0. RETURNED TO HOUSE.

MARCH 21, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 591
2 INTRODUCED BY Phillips
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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROCEDURES FOR
5 RELEASE TO CONSUMER CREDIT REPORTING AGENCIES OF INFORMATION
6 CONCERNING CERTAIN CHILD AND SPOUSAL SUPPORT OBLIGATIONS;
7 AUTHORIZING RULEMAKING; AMENDING SECTIONS 31-3-141,
8 31-3-151, 31-3-152, 40-5-206, AND 53-2-504, MCA; AND
9 REPEALING SECTION 31-3-127, MCA."

10

11 STATEMENT OF INTENT

12 This bill requires a statement of intent because
13 [section 7] requires the department of revenue to adopt
14 rules establishing procedures for making information
15 concerning certain child and spousal support debt available
16 to consumer credit reporting agencies. It is the intent of
17 the legislature to encourage the reporting and use of
18 support debt information whenever practical. The department
19 is encouraged to provide information to consumer reporting
20 agencies for commercial use by business and financial
21 institutions. Technological developments have lowered the
22 cost of information sharing and make it practical for state
23 government to share delinquent support information with
24 private enterprise to a much greater extent than was
25 previously possible. Expanded information sharing is

1 intended to promote the payment of delinquent support
2 obligations and to protect commercial lenders and retailers
3 by ensuring that all of a consumer's financial obligations
4 are considered in determining the ability to pay a
5 commercial obligation. Consumers should be discouraged from
6 incurring obligations that they might find difficult to pay
7 because of support enforcement efforts by the department.

8 The department is directed to promulgate rules for
9 providing notice to obligors owing delinquent support under
10 orders or judgments issued by courts or administrative
11 agencies. Rules should allow the economical issuance of
12 notice to the greatest number of delinquent obligors
13 practical in the ordinary course of agency operations. One
14 notice should be sufficient to allow any delinquent support
15 to be reported whenever it occurs. Rules should require that
16 the agency make a reasonable effort to provide notice prior
17 to the release of information; however, the actual receipt
18 of notice is not required.

19 The department is instructed to promulgate rules
20 providing for the transfer of information on the greatest
21 number of support delinquencies to the greatest number of
22 credit reporting agencies practical. Electronic transfer of
23 information is encouraged. Support debt information should
24 be provided to consumer reporting agencies in accordance
25 with specific guidelines to be specified in the rules for

1 determining when reporting is inappropriate in a particular
2 case.

3 The department is further instructed to promulgate
4 rules creating procedures for contesting and determining the
5 accuracy of support debt information. Rules should encourage
6 the informal resolution of disputes as promptly as
7 practicable. Formal adjudication of the accuracy of reported
8 support debt information should be conducted initially by
9 the department, subject to review by the district courts.

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 31-3-141, MCA, is amended to read:

13 "31-3-141. Actions available to consumer. (1) A
14 consumer may bring action in the nature of defamation,
15 invasion of privacy, or negligence with respect to the
16 reporting of information against any person who fails to
17 comply with this part.

18 (2) A person who fails to delete information or
19 incorporate into a report a consumer's statement of dispute
20 because he judges the dispute to be frivolous or irrelevant
21 is liable to suit.

22 (3) A person, other than the department of revenue
23 under [section 6], who furnishes information to a consumer
24 reporting agency which is false or any person who furnishes
25 the information with malice or willful intent to injure the

1 concerned consumer is liable to suit.

2 (4) A consumer who disputes the result of a
3 reinvestigation conducted under 31-3-124 of the accuracy of
4 information provided by the department of revenue may
5 petition for an administrative hearing pursuant to [section
6 6]."

7 **Section 2.** Section 31-3-151, MCA, is amended to read:

8 "31-3-151. Jurisdiction -- venue. A consumer may bring
9 suit in any district court in Montana, except that disputes
10 concerning information provided under [section 6] are
11 subject to administrative and judicial review as provided in
12 [section 6]."

13 **Section 3.** Section 31-3-152, MCA, is amended to read:

14 "31-3-152. Rules. The department of commerce shall
15 enforce this part,--except--31-3-127, and promulgate rules
16 necessary to carry out the intent of this part,--except
17 31-3-127."

18 **Section 4.** Section 40-5-206, MCA, is amended to read:

19 "40-5-206. Central unit for information and
20 administration -- cooperation enjoined -- availability of
21 records. (1) The department shall establish a central unit
22 to serve as a registry for the receipt of information, for
23 answering interstate inquiries concerning deserting parents,
24 for receiving and answering requests for information made by
25 consumer reporting agencies under [section 6], to coordinate

1 and supervise departmental activities in relation to
2 deserting parents, and to assure effective cooperation with
3 law enforcement agencies.

4 (2) To effectuate the purposes of this section, the
5 director may request from state, county, and local agencies
6 all information and assistance as authorized by this part.
7 All state, county, and city agencies, officers, and
8 employees shall cooperate in the location of parents who
9 have abandoned or deserted or are failing to support
10 children receiving public assistance and shall on request
11 supply the department with all information available
12 relative to the location, income, and property of the
13 parents.

14 (3) Except as provided in 31-3-127 [section 6] and
15 rules adopted under [section 7], any records established
16 pursuant to the provisions of this section are available
17 only to the department, county attorneys, and courts having
18 jurisdiction in support and abandonment proceedings or
19 actions or agencies in other states engaged in the
20 enforcement of support of minor children as authorized by
21 the rules of the department and by the provisions of the
22 federal Social Security Act."

23 **Section 5.** Section 53-2-504, MCA, is amended to read:

24 "53-2-504. Unauthorized disclosure of information
25 obtained in department of revenue investigations a criminal

1 act. (1) No information obtained by the department of
2 revenue or its agents and attorneys as a result of an
3 investigation ~~shall~~ may be disclosed except in accordance
4 with the laws applicable to the source of information;
5 ~~provided, however, such.~~ However, the information may be
6 used or disclosed under 31-3-127 [section 6] and rules
7 adopted under [section 7] or as necessary in any court
8 action.

9 (2) Each employee violating the disclosure provisions
10 ~~shall-be~~ is subject to the criminal charge and penalties
11 applicable to the source of information."

12 NEW SECTION. **Section 6.** Procedures for making
13 information available to consumer reporting agencies. (1)
14 The department may make information about a support debt
15 available to consumer reporting agencies, as defined in
16 31-3-102, upon request. The department shall provide advance
17 notice to the obligor concerning the proposed release of
18 information. However, lack of actual notice does not
19 preclude the release of information to consumer reporting
20 agencies. The notice may be incorporated into any notice
21 served pursuant to Title 17, chapter 4, part 1; Title 40,
22 chapter 5, part 4; this part; or the federal income tax
23 refund intercept program under 42 U.S.C. 664. The notice
24 must inform the obligor of the methods available for
25 contesting the accuracy of the information.

(2) If contacted by an obligor wishing to contest the accuracy of information proposed for release to consumer reporting agencies, the department shall conduct an informal administrative review, separately or in conjunction with a hearing on any other matter concerning the obligor's support obligation, to determine the accuracy of the information. The accuracy of information provided by the department to consumer reporting agencies may be contested in accordance with the procedures provided in 31-3-124. An obligor dissatisfied with the outcome of a reinvestigation conducted by a consumer reporting agency may receive an administrative hearing on the accuracy of the information by filing a written request with the department. The hearing must be conducted in accordance with 40-5-226, and the resulting findings are subject to judicial review as provided in 40-5-253.

(3) The department shall notify all consumer reporting agencies that were provided information pursuant to this section if a reported support debt is paid in full or is no longer being enforced by the department.

NEW SECTION. Section 7. Rules. The department shall adopt rules to implement this section, including rules:

(1) providing for advance notice to the obligor of support debt information requested under [section 6];

(2) establishing the procedure for contesting the

accuracy of information proposed for release to consumer reporting agencies;

(3) providing for consideration of the obligor's payment record, the availability of other remedies, and other matters relevant to determining whether the release of information would promote the collection of a support debt or would be inappropriate under the circumstances; and

(4) governing the format and frequency of reports to consumer reporting agencies.

NEW SECTION. Section 8. Codification instruction. [Sections 6 and 7] are intended to be codified as an integral part of Title 40, chapter 5, part 2, and the provisions of Title 40, chapter 5, part 2, apply to [sections 6 and 7].

NEW SECTION. Section 9. Nonseverability. It is the intent of the legislature that each part of [this act] is essentially dependent upon every other part, and if one part is held unconstitutional or invalid, all other parts are invalid.

NEW SECTION. Section 10. Repealer. Section 31-3-127, MCA, is repealed.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB591, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising procedures for release to consumer credit reporting agencies of information concerning certain child and spousal support obligations; authorizing rule making.

ASSUMPTIONS:

1. The child support enforcement caseload will not increase.
2. No additional FTE will be required because the procedure will be automated.
3. No additional hearings are anticipated because most obligors who request hearings are already entitled to one for federal tax offset.
4. Data processing start-up cost will be \$516. State share is \$165.
5. Monthly tape update cost will be \$10 for a total of \$90 in FY90 and \$120 in FY91. State share will be \$31 in FY90 and \$41 in FY91.
6. 9,000 judgement accounts will be released to credit bureaus each year.
7. The federal government covers 68% of administrative costs incurred prior to October 1, 1989 and after that time the federal government will cover 66% of costs. (The additional administrative expense shown below reflects the state's portion only.)
8. The average arrearage debt for the 9,000 accounts is \$4,752.
9. 325 accounts are NAFDC and 8,675 are AFDC.
10. If 0.75% of arrearages could be recovered in FY90 and 1% in FY91, department collections from those cases will be \$320,760 in FY90 and \$427,680 in FY91.
11. The state's share of AFDC collections will be \$90,898 in FY90 and \$121,197 in FY91.
12. Federal government incentive payments (these are based on cost effectiveness) will be 7% of collections. Therefore, NAFDC incentives generated by this proposal will be \$811 in FY90 and \$1,081 in FY91. AFDC incentives generated by this proposal will be \$21,643 in FY90 and \$28,857 in FY91.
13. The effective date for this proposal is October 1, 1989.

FISCAL IMPACT:

	<u>FY90</u>			<u>FY91</u>		
	Current	Proposed		Current	Proposed	
<u>Revenue Impact:</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>
General Fund						
State Share						
AFDC Collections	-0-	\$ 90,898	\$ 90,898	-0-	\$121,197	\$ 121,197
NAFDC Incentives	-0-	811	811	-0-	1,081	1,081
AFDC Incentives	-0-	21,643	21,643	-0-	28,857	28,857
TOTAL	-0-	\$113,352	\$ 113,352	-0-	\$151,135	\$ 151,135
<u>Expenditure Impact:</u>						
Operating Expenses	-0-	\$ 196	\$ 196	-0-	\$ 41	\$ 41

Ray Shackelford

DATE 2/14/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

John E. Phillips

DATE 2/15/89

JOHN E. PHILLIPS, PRIMARY SPONSOR

Fiscal Note for HB591, as introduced

HB 591

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

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INTRODUCED BY PHILLIPS

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lowered the cost of information sharing and make it
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20 (2) A person who fails to delete information or
21 incorporate into a report a consumer's statement of dispute
22 because he judges the dispute to be frivolous or irrelevant
23 is liable to suit.

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25 under [section 6], who furnishes information to a consumer

1 reporting agency which is false or any person who furnishes
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4 (4) A consumer who disputes the result of a
5 reinvestigation conducted under 31-3-124 of the accuracy of
6 information provided by the department of revenue may
7 petition for an administrative hearing pursuant to [section
8 6]."

9 **Section 2.** Section 31-3-151, MCA, is amended to read:

10 "31-3-151. Jurisdiction -- venue. A consumer may bring
11 suit in any district court in Montana, except that disputes
12 concerning information provided under [section 6] are
13 subject to administrative and judicial review as provided in
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15 **Section 3.** Section 31-3-152, MCA, is amended to read:

16 "31-3-152. Rules. The department of commerce shall
17 enforce this part, ~~except--31-3-127,~~ and promulgate rules
18 necessary to carry out the intent of this part, ~~except~~
19 ~~31-3-127."~~

20 **Section 4.** Section 40-5-206, MCA, is amended to read:

21 "40-5-206. Central unit for information and
22 administration -- cooperation enjoined -- availability of
23 records. (1) The department shall establish a central unit
24 to serve as a registry for the receipt of information, for
25 answering interstate inquiries concerning deserting parents,

1 for receiving and answering requests for information made by
 2 consumer reporting agencies under [section 6], to coordinate
 3 and supervise departmental activities in relation to
 4 deserting parents, and to assure effective cooperation with
 5 law enforcement agencies.

6 (2) To effectuate the purposes of this section, the
 7 director may request from state, county, and local agencies
 8 all information and assistance as authorized by this part.
 9 All state, county, and city agencies, officers, and
 10 employees shall cooperate in the location of parents who
 11 have abandoned or deserted or are failing to support
 12 children receiving public assistance and shall on request
 13 supply the department with all information available
 14 relative to the location, income, and property of the
 15 parents.

16 (3) Except as provided in 31-3-127 [section 6] and
 17 rules adopted under [section 7], any records established
 18 pursuant to the provisions of this section are available
 19 only to the department, county attorneys, and courts having
 20 jurisdiction in support and abandonment proceedings or
 21 actions or agencies in other states engaged in the
 22 enforcement of support of minor children as authorized by
 23 the rules of the department and by the provisions of the
 24 federal Social Security Act."

25 **Section 5.** Section 53-2-504, MCA, is amended to read:

1 "53-2-504. Unauthorized disclosure of information
 2 obtained in department of revenue investigations a criminal
 3 act. (1) No information obtained by the department of
 4 revenue or its agents and attorneys as a result of an
 5 investigation ~~shall~~ may be disclosed except in accordance
 6 with the laws applicable to the source of information;
 7 ~~provided,--however,--such.~~ However, the information may be
 8 used or disclosed under 31-3-127 [section 6] and rules
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 10 action.

11 (2) Each employee violating the disclosure provisions
 12 ~~shall--be~~ is subject to the criminal charge and penalties
 13 applicable to the source of information."

14 **NEW SECTION. Section 6.** Procedures for making
 15 information available to consumer reporting agencies. (1)
 16 The department may make information about a support debt
 17 available to consumer reporting agencies, as defined in
 18 31-3-102, upon request. THE DEPARTMENT MAY CHARGE A FEE TO
 19 RECOVER THE COST OF RESPONDING TO REQUESTS FOR SUPPORT DEBT
 20 INFORMATION. The department shall provide advance notice to
 21 the obligor concerning the proposed release of information.
 22 However, lack of actual notice does not preclude the release
 23 of information to consumer reporting agencies. The notice
 24 may be incorporated into any notice served pursuant to Title
 25 17, chapter 4, part 1; Title 40, chapter 5, part 4; this

1 part; or the federal income tax refund intercept program
2 under 42 U.S.C. 664. The notice must inform the obligor of
3 the methods available for contesting the accuracy of the
4 information.

5 (2) If contacted by an obligor wishing to contest the
6 accuracy of information proposed for release to consumer
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9 hearing on any other matter concerning the obligor's support
10 obligation, to determine the accuracy of the information.
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12 consumer reporting agencies may be contested in accordance
13 with the procedures provided in 31-3-124. An obligor
14 dissatisfied with the outcome of a reinvestigation conducted
15 by a consumer reporting agency may receive an administrative
16 hearing on the accuracy of the information by filing a
17 written request with the department. The hearing must be
18 conducted in accordance with 40-5-226, and the resulting
19 findings are subject to judicial review as provided in
20 40-5-253.

21 (3) The department shall WITHIN 30 DAYS notify all
22 consumer reporting agencies that were provided information
23 pursuant to this section if a reported support debt is paid
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25 NEW SECTION. Section 7. Rules. The department shall

1 adopt rules to implement this section, including rules:

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15 [Sections 6 and 7] are intended to be codified as an
16 integral part of Title 40, chapter 5, part 2, and the
17 provisions of Title 40, chapter 5, part 2, apply to
18 [sections 6 and 7].

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 16 The department may make information about a support debt
 17 available to consumer reporting agencies, as defined in
 18 31-3-102, upon request. THE DEPARTMENT MAY CHARGE A FEE TO
 19 RECOVER THE COST OF RESPONDING TO REQUESTS FOR SUPPORT DEBT
 20 INFORMATION. The department shall provide advance notice to
 21 the obligor concerning the proposed release of information.
 22 However, lack of actual notice does not preclude the release
 23 of information to consumer reporting agencies. The notice
 24 may be incorporated into any notice served pursuant to Title
 25 17, chapter 4, part 1; Title 40, chapter 5, part 4; this

1 part; or the federal income tax refund intercept program
2 under 42 U.S.C. 664. The notice must inform the obligor of
3 the methods available for contesting the accuracy of the
4 information.

5 (2) If contacted by an obligor wishing to contest the
6 accuracy of information proposed for release to consumer
7 reporting agencies, the department shall conduct an informal
8 administrative review, separately or in conjunction with a
9 hearing on any other matter concerning the obligor's support
10 obligation, to determine the accuracy of the information.
11 The accuracy of information provided by the department to
12 consumer reporting agencies may be contested in accordance
13 with the procedures provided in 31-3-124. An obligor
14 dissatisfied with the outcome of a reinvestigation conducted
15 by a consumer reporting agency may receive an administrative
16 hearing on the accuracy of the information by filing a
17 written request with the department. The hearing must be
18 conducted in accordance with 40-5-226, and the resulting
19 findings are subject to judicial review as provided in
20 40-5-253.

21 (3) The department shall WITHIN 30 DAYS notify all
22 consumer reporting agencies that were provided information
23 pursuant to this section if a reported support debt is paid
24 in full or is no longer being enforced by the department.

25 NEW SECTION. Section 7. Rules. The department shall

1 adopt rules to implement this section, including rules:

2 (1) providing for advance notice to the obligor of
3 support debt information requested under [section 6];

4 (2) establishing the procedure for contesting the
5 accuracy of information proposed for release to consumer
6 reporting agencies;

7 (3) providing for consideration of the obligor's
8 payment record, the availability of other remedies, and
9 other matters relevant to determining whether the release of
10 information would promote the collection of a support debt
11 or would be inappropriate under the circumstances; and

12 (4) governing the format and frequency of reports to
13 consumer reporting agencies.

14 NEW SECTION. Section 8. Codification instruction.
15 [Sections 6 and 7] are intended to be codified as an
16 integral part of Title 40, chapter 5, part 2, and the
17 provisions of Title 40, chapter 5, part 2, apply to
18 [sections 6 and 7].

19 NEW SECTION. Section 9. Nonseverability. It is the
20 intent of the legislature that each part of [this act] is
21 essentially dependent upon every other part, and if one part
22 is held unconstitutional or invalid, all other parts are
23 invalid.

24 NEW SECTION. Section 10. Repealer. Section 31-3-127,
25 MCA, is repealed.

-End-

HOUSE BILL NO. 591

INTRODUCED BY PHILLIPS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROCEDURES FOR RELEASE TO CONSUMER CREDIT REPORTING AGENCIES OF INFORMATION CONCERNING CERTAIN CHILD AND SPOUSAL SUPPORT OBLIGATIONS; AUTHORIZING RULEMAKING; AMENDING SECTIONS 31-3-141, 31-3-151, 31-3-152, 40-5-206, AND 53-2-504, MCA; AND REPEALING SECTION 31-3-127, MCA."

STATEMENT OF INTENT

This bill requires a statement of intent because [section 7] requires the department of revenue to adopt rules establishing procedures for making information concerning certain child and spousal support debt available to consumer credit reporting agencies. It is the intent of the legislature to encourage the reporting and use of support debt information whenever practical. The department is encouraged to provide information to consumer reporting agencies for commercial use by business and financial institutions. THE LEGISLATURE INTENDS THAT THE DEPARTMENT BY RULE PROVIDE FOR A FEE TO COVER THE COSTS OF PROVIDING SUPPORT DEBT INFORMATION. Technological developments have lowered the cost of information sharing and make it practical for state government to share delinquent support

information with private enterprise to a much greater extent than was previously possible. Expanded information sharing is intended to promote the payment of delinquent support obligations and to protect commercial lenders and retailers by ensuring that all of a consumer's financial obligations are considered in determining the ability to pay a commercial obligation. Consumers should be discouraged from incurring obligations that they might find difficult to pay because of support enforcement efforts by the department.

The department is directed to promulgate rules for providing notice to obligors owing delinquent support under orders or judgments issued by courts or administrative agencies. Rules should allow the economical issuance of notice to the greatest number of delinquent obligors practical in the ordinary course of agency operations. One notice should be sufficient to allow any delinquent support to be reported whenever it occurs. Rules should require that the agency make a reasonable effort to provide notice prior to the release of information; however, the actual receipt of notice is not required.

The department is instructed to promulgate rules providing for the transfer of information on the greatest number of support delinquencies to the greatest number of credit reporting agencies practical. Electronic transfer of information is encouraged. Support debt information should

1 be provided to consumer reporting agencies in accordance
2 with specific guidelines to be specified in the rules for
3 determining when reporting is inappropriate in a particular
4 case.

5 The department is further instructed to promulgate
6 rules creating procedures for contesting and determining the
7 accuracy of support debt information. Rules should encourage
8 the informal resolution of disputes as promptly as
9 practicable. Formal adjudication of the accuracy of reported
10 support debt information should be conducted initially by
11 the department, subject to review by the district courts.

12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 31-3-141, MCA, is amended to read:

15 "31-3-141. Actions available to consumer. (1) A
16 consumer may bring action in the nature of defamation,
17 invasion of privacy, or negligence with respect to the
18 reporting of information against any person who fails to
19 comply with this part.

20 (2) A person who fails to delete information or
21 incorporate into a report a consumer's statement of dispute
22 because he judges the dispute to be frivolous or irrelevant
23 is liable to suit.

24 (3) A person, other than the department of revenue
25 under [section 6], who furnishes information to a consumer

1 reporting agency which is false or any person who furnishes
2 the information with malice or willful intent to injure the
3 concerned consumer is liable to suit.

4 (4) A consumer who disputes the result of a
5 reinvestigation conducted under 31-3-124 of the accuracy of
6 information provided by the department of revenue may
7 petition for an administrative hearing pursuant to [section
8 6]."

9 **Section 2.** Section 31-3-151, MCA, is amended to read:

10 "31-3-151. Jurisdiction -- venue. A consumer may bring
11 suit in any district court in Montana, except that disputes
12 concerning information provided under [section 6] are
13 subject to administrative and judicial review as provided in
14 [section 6]."

15 **Section 3.** Section 31-3-152, MCA, is amended to read:

16 "31-3-152. Rules. The department of commerce shall
17 enforce this part; ~~except--31-3-127;~~ and promulgate rules
18 necessary to carry out the intent of this part; ~~except~~
19 ~~31-3-127."~~

20 **Section 4.** Section 40-5-206, MCA, is amended to read:

21 "40-5-206. Central unit for information and
22 administration -- cooperation enjoined -- availability of
23 records. (1) The department shall establish a central unit
24 to serve as a registry for the receipt of information, for
25 answering interstate inquiries concerning deserting parents,

1 for receiving and answering requests for information made by
 2 consumer reporting agencies under [section 6], to coordinate
 3 and supervise departmental activities in relation to
 4 deserting parents, and to assure effective cooperation with
 5 law enforcement agencies.

6 (2) To effectuate the purposes of this section, the
 7 director may request from state, county, and local agencies
 8 all information and assistance as authorized by this part.
 9 All state, county, and city agencies, officers, and
 10 employees shall cooperate in the location of parents who
 11 have abandoned or deserted or are failing to support
 12 children receiving public assistance and shall on request
 13 supply the department with all information available
 14 relative to the location, income, and property of the
 15 parents.

16 (3) Except as provided in 31-3-127 [section 6] and
 17 rules adopted under [section 7], any records established
 18 pursuant to the provisions of this section are available
 19 only to the department, county attorneys, and courts having
 20 jurisdiction in support and abandonment proceedings or
 21 actions or agencies in other states engaged in the
 22 enforcement of support of minor children as authorized by
 23 the rules of the department and by the provisions of the
 24 federal Social Security Act."

25 **Section 5.** Section 53-2-504, MCA, is amended to read:

1 "53-2-504. Unauthorized disclosure of information
 2 obtained in department of revenue investigations a criminal
 3 act. (1) No information obtained by the department of
 4 revenue or its agents and attorneys as a result of an
 5 investigation ~~shall~~ may be disclosed except in accordance
 6 with the laws applicable to the source of information,
 7 ~~provided,--however,--such.~~ However, the information may be
 8 used or disclosed under 31-3-127 [section 6] and rules
 9 adopted under [section 7] or as necessary in any court
 10 action.

11 (2) Each employee violating the disclosure provisions
 12 ~~shall--be~~ is subject to the criminal charge and penalties
 13 applicable to the source of information."

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