

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1047

(Delegate Weldon)

Judiciary

Family Law - Child Support Enforcement - Multiple Driver's License Suspension Notices

This bill requires the Child Support Enforcement Administration (CSEA) to notify the Motor Vehicle Administration (MVA) of a child support obligor who has received three driver's license suspension notices within a two-year period and is 60 days or more "out of compliance" with the most recent court-ordered child support payments so that MVA can suspend the obligor's driver's license. The administration must also notify the obligor.

Fiscal Summary

State Effect: Minimal increase in special fund revenues to the extent the bill increases child support collections. State expenditures increase by \$279,200 in FY 2010 for computer programming modifications at CSEA and MVA.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
SF Revenue	-	-	-	-	-
GF Expenditure	\$73,700	\$0	\$0	\$0	\$0
SF Expenditure	\$62,500	\$0	\$0	\$0	\$0
FF Expenditure	\$143,000	\$0	\$0	\$0	\$0
Net Effect	(\$279,200)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill specifies the circumstances under which CSEA is required to notify MVA that the obligor is out of compliance so that MVA suspends the obligor's license when the obligor is in arrears in making court-ordered child support payments.

Out of compliance includes the failure of an obligor to make ordered child support payments in full. If an obligor receives three suspension notices within a two-year period and is at least 60 days out of compliance with the most recent court order to make child support payments, CSEA must immediately notify MVA and the obligor. MVA must suspend the obligor's driver's license or privilege and is authorized to issue a work-restricted license or privilege to drive. A work-restricted license or privilege to drive that is issued after the required notice expires at the end of one year, but may be renewed for successive one-year periods. The notice and hearing provisions that accompany a suspension of the obligor's license do not apply when CSEA is required to notify MVA that the obligor is out of compliance as specified in the bill.

Current Law: CSEA may notify MVA of any obligor who is 60 days or more out of compliance with the most recent court order in making child support payments. Upon notification, MVA is required to suspend the obligor's driver's license or privilege and may issue a work-restricted driver's license or privilege.

Before supplying any information regarding a child support arrearage to MVA, CSEA must send written notice of its proposed action, including notice of the obligor's right to request an investigation on any of the following grounds:

- the information regarding the reported arrearage is inaccurate;
- suspension of the obligor's license or privilege to drive would be an impediment to current or potential employment; or
- suspension of the obligor's license or privilege to drive would place an undue hardship on the obligor because of the obligor's documented disability resulting in a verified inability to work or inability to comply with the court order.

If an obligor requests an investigation, CSEA must conduct an investigation to determine if any of the grounds described above exists. CSEA must send a copy of the obligor's request for an investigation to the obligee, give the obligee a reasonable opportunity to respond, and consider the obligee's response.

If, after the investigation or an appeal by the obligor to the Office of Administrative Hearings, CSEA finds that one of the applicable grounds exists, then CSEA may not send any information about the obligor to MVA. If CSEA finds that one of the grounds exists

after sending information about the obligor to MVA, CSEA must notify MVA to reinstate the obligor's license or privilege to drive.

In addition, CSEA may not send any information about an obligor to MVA if CSEA reaches an agreement with the obligor regarding a scheduled payment of the obligor's arrearage or the court issues an order for a scheduled payment of the arrearage and the obligor is complying with the agreement or court order. If the obligor's arrearage was paid in full after information was supplied to MVA, or the obligor has demonstrated good faith by paying an ordered amount for six consecutive months, CSEA must notify MVA to reinstate the obligor's license or privilege to drive.

MVA may issue to the suspended driver a work-restricted license or privilege to drive. Prior to the suspension action and issuance of a work-restricted license or privilege, MVA must send written notice of the proposed action to the obligor, including notice of the obligor's right to contest the accuracy of the information. Any challenge to the MVA action must be limited to whether MVA has mistaken the identity of the obligor or individual whose driving license or privilege has been suspended. Any appeal of the MVA action is also limited to mistaken identity.

MVA must reinstate an obligor's driving license or privilege if it receives a court order to reinstate the license or privilege; or if CSEA notifies it that the individual has paid the arrearage in full or the obligor has demonstrated good faith by paying the ordered amount for six consecutive months.

Background: All states and the District of Columbia have provisions that restrict an obligor's license or privilege to drive if he or she is delinquent in paying child support. Enactment of federal welfare reform in 1996 required all state child support enforcement programs to impose driver's license, as well as professional and occupational license restrictions, on obligors who have not paid child support in a timely manner. According to the latest information available from the Office of Child Support Enforcement in the U.S. Department of Health and Human Services, for all fiscal years since statistics have been collected, child support arrearages nationwide total about \$105 billion. In Maryland, all arrearages total over \$1.5 billion.

During fiscal 2008, CSEA reports that \$510.6 million was collected for child support. During federal fiscal 2008, 63% of the child support caseload with arrears paid on arrears obligations. Since the driver's license suspension program began in 1996, CSEA has collected over \$242 million from obligors. CSEA reports that it has a total caseload of about 256,000 cases that have been selected for referral to MVA (about 5,900 new cases are referred monthly).

State Revenue: Special fund revenues increase to the extent that CSEA is able to increase child support collections. Temporary Cash Assistance (TCA) recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made on behalf of the children of the obligor; as a result, TCA child support collections are distributed 50% to the State and 50% to the federal government. Accordingly, the State and federal governments share equally in any increase in revenue collection. Any such increase cannot be quantified at this time due to the unavailability of data, but is expected to be minimal.

State Expenditures: In DHR, total expenditures increase by \$216,700 in fiscal 2010 only (\$143,000 federal funds/\$73,700 general funds) for computer modifications to identify those child support obligors who have received at least three suspension notices within two years and who are also 60 days out of compliance with the most recent support order.

TTF expenditures in MVA increase by \$62,500 in fiscal 2010 only for computer modifications to track the work restricted licenses that need to expire at the end of one year. TTF expenditures in MVA also increase minimally due to the additional mailing costs for notices required under the bill.

Additional Information

Prior Introductions: HB 632 of 2008 received an unfavorable report from the House Judiciary Committee.

Cross File: None.

Information Source(s): Department of Human Resources, Judiciary (Administrative Office of the Courts), Office of Administrative Hearings, Maryland Department of Transportation, U.S. Department of Health and Human Services, Department of Legislative Services

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mcp/kdm

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