

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1047
 Judiciary

(Delegate Moon, *et al.*)

Judicial Proceedings

Child Support - Noncompliance With Court Order - License Suspension

This bill authorizes an individual who has received notice of a potential professional license suspension due to a child support arrearage to request an investigation under specified circumstances. The Child Support Enforcement Administration (CSEA) must provide notice of this right to an obligor, as specified. The bill expands the reasons under which CSEA is to notify a licensing authority to reinstate a license. It also extends, from 60 days to 120 days, the period of time that an individual with a commercial driver’s license may be out of compliance with a child support order before the individual’s driver’s license may be suspended.

Fiscal Summary

State Effect: General and federal fund expenditures for the Department of Human Resources (DHR) increase by a total of \$365,600 in FY 2018 only for programming changes; federal fund revenues increase correspondingly with federal fund expenditures. Otherwise, the bill can be implemented and enforced with existing budgeted resources.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
FF Revenue	\$241,300	\$0	\$0	\$0	\$0
GF Expenditure	\$124,300	\$0	\$0	\$0	\$0
FF Expenditure	\$241,300	\$0	\$0	\$0	\$0
Net Effect	(\$124,300)	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: CSEA must include in the required written notice to an individual whose license is subject to suspension and necessary to practice or engage in a particular business, occupation, or profession, a statement that the obligor has the right to request an investigation on the following grounds:

- the reported arrearage is inaccurate;
- the suspension of the license would be an impediment to current or potential employment because the license is necessary for the obligor's primary source of income and the obligor has made good faith payments toward the child support obligation; or
- the suspension of the license would result in undue hardship because the obligor has a documented disability resulting in a verified inability to work or the suspension of the license would result in the inability of the obligor to comply with the court order.

If, after an investigation or appeal to the Office of Administrative Hearings, CSEA finds that one of the circumstances specified above exists, CSEA may not send a notification about an individual to a licensing authority for professional license suspension.

The bill also expands the reasons under which CSEA is to notify the licensing authority to reinstate a license to include when an individual with a child support arrearage has (1) paid a lump sum equal to four times the ordered amount of monthly support or (2) cooperated with CSEA in entering into an enforceable wage withholding order with the maximum deduction permitted under federal law.

The bill clarifies that provisions relating to the suspension of a professional or recreational license for failure to pay child support apply to an obligor who is 120 days or more *out of compliance with a child support order*, rather than in arrears amounting to more than 120 days under the order.

Current Law:

Professional and Recreational License Suspensions

Numerous licensing authorities, including the Department of Labor, Licensing, and Regulation; the Maryland Department of Transportation; and the Maryland Insurance Administration, are required to comply with DHR's child support enforcement efforts related to the license suspension program. The licenses subject to the program include recreational hunting and fishing licenses and occupational and professional licenses.

CSEA may request from a licensing authority information related to obligors in arrears in paying child support. Following a request, the licensing authority is required to submit specified information regarding the obligor, including information regarding the individual's Social Security number and any known address. CSEA may not request the information more than four times each calendar year, unless CSEA has reason to believe that an obligor is licensed by, or has applied for a license from, the licensing authority. CSEA may also request the licensing authority to periodically share its licensing database.

CSEA may request the licensing authority to suspend or deny a professional or recreational license if the individual is in arrears amounting to more than 120 days under the most recent order and CSEA has accepted assignment of support or the recipient of the support has filed an application for support enforcement services with CSEA. CSEA may also request the suspension or denial of a license if an individual failed to comply with a subpoena, as specified. Other than a specified exception regarding licenses issued by the Court of Appeals, a licensing authority must suspend or deny the license upon notification by CSEA.

At least 30 days prior to requesting the suspension or denial of a license, CSEA must give the individual a reasonable opportunity to contest the accuracy of the information and send the individual written notice of the right to request an investigation. Pursuant to the Code of Maryland Regulations (COMAR), an investigation may be requested on a claim that (1) the support obligation does not exist; (2) the obligor is not the individual who owes support under the court order; or (3) the amounts specified in the notice are incorrect. (See COMAR 07.07.16.10). The individual has a right to an appeal with the Office of Administrative Hearings, as specified.

CSEA must notify the licensing authority to reinstate a suspended or denied license within 10 days after any of the following events:

- CSEA receives a court order to reinstate the suspended license;
- the arrearage is paid in full;
- the individual has demonstrated good faith by paying the ordered amount of support for four consecutive months;
- the individual fully complied with the Noncustodial Parent Employment Assistance Program; or
- the individual complied with a subpoena (if failure to comply with the subpoena was the reason for the suspension).

If the individual otherwise qualifies for the license, a licensing authority must immediately reinstate the suspended license or process an application for a denied license upon notification by CSEA.

Driver's License Suspensions

CSEA may notify the Motor Vehicle Administration (MVA) of an obligor who is 60 days or more out of compliance with the most recent order of the court in making child support payments, as specified. Before supplying information to MVA, CSEA must send written notice of the proposed action to the obligor, including notice of the 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 the obligor's 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 a court order.

If, after an investigation or appeal, CSEA finds that one of the above grounds exists, CSEA may not send any information about the obligor to MVA. If, after information about an obligor is supplied to MVA, the obligor's arrearage is paid in full, the obligor has demonstrated good faith by paying the ordered amount of support for six consecutive months, one of the above grounds is met, or other specified grounds are met, CSEA must notify MVA to reinstate the obligor's license or privilege to drive.

State Fiscal Effect: DHR advises that the bill's implementation requires programming costs of \$365,601 (\$124,304 general funds/\$241,297 federal funds) in fiscal 2018 only. Federal fund revenues correspondingly increase by \$241,297. Otherwise, the bill's provisions, including handling any additional investigations that may be requested, can be implemented and enforced using existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: SB 906 (Senator Muse) - Judicial Proceedings.

Information Source(s): Department of Human Resources; Montgomery County; Department of Legislative Services

Fiscal Note History:
mm/kdm

First Reader - March 1, 2017

Third Reader - March 29, 2017

Revised - Amendment(s) - March 29, 2017

Revised - Clarification - March 29, 2017

Revised - Updated Information - March 29, 2017

Analysis by: Jennifer K. Botts and
Tonya D. Zimmerman

Direct Inquiries to:
(410) 946-5510
(301) 970-5510