

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 412
Judiciary

(Delegate Simpson, *et al.*)

Child Support - Suspension of Driver's Licenses

This bill adds additional conditions that must be satisfied before the Child Support Administration (CSA) may notify the Motor Vehicle Administration (MVA) of an obligor's noncompliance with the most recent order of the court in making child support payments for purposes of license suspension. Specifically, CSA must also verify that the suspension of the obligor's license (or privilege to drive) is appropriate because the obligor has the funds to pay but is making the free and conscious choice to withhold payment and other collection and enforcement mechanisms have been unsuccessful. In addition, the bill expands the grounds for an obligor's right to request an investigation to include that (1) the minor child is residing primarily with the obligor; (2) CSA reached an agreement with the obligor, or the court issued an order for a scheduled payment of the arrearages, and the obligor is complying with the agreement or order; or (3) suspension of the license would place an undue hardship on *the minor child or child support payment recipient*. Finally, the bill also specifies additional notice requirements to advise obligors of proposed actions and results of investigations.

Fiscal Summary

State Effect: *Potential significant* increase in general and federal fund expenditures (and corresponding federal fund matching revenues) for the Department of Human Services (DHS), as discussed below. It is anticipated that the Judiciary, MVA, and the Office of Administrative Hearings (OAH) can implement the bill with existing budgeted resources.

Local Effect: The bill is not anticipated to materially affect the workload of the circuit courts. The potential impact on local sheriffs' offices is discussed below.

Small Business Effect: None.

Analysis

Current Law:

Calculation of Child Support Obligation

In a proceeding to establish or modify child support, whether *pendente lite* or permanent, the court is required to use the child support guidelines. The basic child support obligation is established in accordance with a schedule provided in statute. The current schedule uses the combined monthly adjusted actual income of both parents and the number of children for whom support is required to determine the basic child support obligation. After establishing a child support order, the court must send a copy of the guideline calculation and the order to CSA.

Driver's License Suspensions

Applicable Period of Noncompliance: Statute establishes procedures by which MVA is generally required to suspend an individual's driver's license after receiving notice from CSA that the individual is at least 120 days out of compliance with the most recent court order in making child support payments.

Exemptions: An obligor whose individual income for the current year is at or below 250% of the federal poverty guidelines is exempt from provisions requiring MVA to suspend the obligor's license or privilege to drive in the State if the obligor is out of compliance with a child support order and specified conditions are met. However, this exemption does not apply if the obligor has been judicially determined to be "voluntarily impoverished" under State law. Statute authorizes CSA to consider certain information to determine the income of an obligor (*e.g.*, the income of the obligor at the time the most recent child support order was entered).

Procedural Requirements Prior to Suspensions: Before providing any information to MVA, CSA must send *written* notice of the proposed suspension action to an obligor, including notice of the obligor's right to request an investigation on any of the following grounds: (1) the information regarding the reported arrearages is inaccurate; (2) suspension of the obligor's license or privilege to drive would be an impediment to the obligor's current or potential employment; or (3) suspension of the obligor's license or privilege to drive would place an undue hardship on the obligor because of the obligor's inability to comply with the court order or a documented disability resulting in a verified inability to work. After an investigation, CSA must notify the obligor of the results of the investigation and the obligor's right to appeal to OAH. If, after an investigation (or appeal), CSA finds that one of the circumstances specified above exists, CSA may not send any information about the obligor to MVA.

CSA is also prohibited from sending any information about an obligor to MVA if (1) CSA reaches an agreement with the obligor regarding a scheduled payment of child support arrearages (or a court issues an order for a scheduled payment) and (2) the obligor is complying with the agreement (or court order).

Notification Requirements: Prior to a suspension, 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. However, the challenge must be limited to the issue of mistaken identity. Similarly, an obligor may appeal a decision of MVA to suspend the license/privilege to drive; the issue at such a hearing must be limited to that of mistaken identity.

State and Local Fiscal Effect: The bill makes several changes to the process by which a driver's license may be suspended based on failure to pay child support, with meaningful impacts on CSA operations and likely additional costs (perhaps significant). Namely, CSA must *verify* that suspension of the obligor's license or privilege to drive is appropriate, as specified, *before* supplying information to MVA. Despite repeated requests to submit information on the fiscal and operation impact of the bill, DHS did not respond in a timely manner; therefore, there was not sufficient time to analyze the information DHS eventually provided before the publication of this fiscal and policy note. Accordingly, the information below only reflects what was provided by DHS, without further analysis by the Department of Legislative Services.

DHS estimates that State expenditures increase by \$5.9 million in 2027, which reflects the bill's October 1, 2026 start date, to account for (1) the need to hire 35 full-time staff (30 child support specialists and five assistant Attorneys General) as well as six contractual staff in the Baltimore City office (5 child support specialists and one attorney), at an estimated cost of \$3.9 million in 2027 and (2) \$2.0 million in fiscal 2027 only for one-time programming costs. Future year staffing expenditures – *as estimated by DHS* – are approximately \$3.8 million on an annual basis. Federal fund matching revenues are also estimated to increase accordingly.

In addition, DHS advises that because obligors may not always comply with requests to access financial and employment records (purported to be necessary to determine whether the obligor has the funds to pay), it anticipates the need to issue more administrative subpoenas (served through local sheriff's offices) to compel the requested information in some instances. Specifically, DHS estimates associated federal fund expenditures of \$2.6 million on an annual basis; the department also advises that these expenditures are subject to 100% federal reimbursements. Sheriffs' offices may therefore experience increased workloads associated with the service of administrative subpoenas, with a corresponding increase in service fee revenues.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 110 and SB 106 of 2025 and HB 311 and SB 174 of 2024.

Designated Cross File: SB 347 (Senator Muse) - Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Human Services; Maryland Department of Transportation; Office of Administrative Hearings; Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2026
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