

**DATE:** February 11, 2021

**BILL NUMBER:** House Bill 580

**COMMITTEE:** Judiciary

**BILL TITLE:** Driver's Licenses - Suspension for Child Support Arrearages - Repeal

**DHS POSITION:** Oppose

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The Department of Human Services (the Department) respectfully submits this letter of opposition regarding House Bill 580 (HB 580). HB 580 would repeal the ability of the Child Support Administration (CSA) to suspend driver's licenses as an enforcement tool for child support payment to the detriment of Maryland's children served by both CSA and the Department.

Driver's license suspension for obligors in arrears is federally required for Maryland to comply with Section 466(a)(16) of the Social Security Act. Historically certain laws and procedures have measurably increased the efficiency and effectiveness of states' enforcement programs, including driver's licenses suspension. Nearly ten percent of Maryland's child support collections each year are the result of referrals to the Driver's License Suspension program. In 2019, over \$50 million was collected for Maryland's children through referrals to the program.

Moreover, passage of HB 580 puts federal funding for the child support program at risk. Without the statutory authority to suspend driver's licenses, Maryland's State Plan would be noncompliant with federal law. CSA receives 66% of its financial support from the federal government. In order to qualify for that funding, Congress has required states to implement particular laws and procedures necessary for the success of those state programs. As such, CSA is required to have an approved Child Support State Plan in order to receive federal funding under title IV-D. This plan is subject to 42 U.S.C. § 666(a)(16) which dictates that a state must have laws allowing for the "withhold[ing], suspen[sion] or [the right] to restrict the use of driver's licenses." A non compliant state plan will result in immediate suspension of all federal payments for the state's child support programming. Currently, the entire federal grant for Maryland's IV-D program, including incentive payments, totals \$91.2 million..

In addition, section 402(a)(2) of the Social Security Act requires operation of a child support program under an approved IV-D plan as a condition for eligibility for a Temporary Assistance for Needy Families (TANF) block grant under title IV-A of the Act. Repealing the process for driver's license suspension due to failure to pay child support may threaten Maryland's receipt of our TANF block grant. Maryland's TANF block grant totals about \$228.3 million and the TANF contingency funding amounts to \$27.2 million, which is also at stake with the passage of this legislation. In total, Maryland stands to potentially lose a total of \$346.7 million in federal funds with the passage of HB 580.

While proponents of the bill may express concern that driver's suspension due to failure to pay child support would perpetuate arrearages by hindering an obligor's ability to travel to their place of employment, the Department would like to remind the Committee that if an obligor shows undue



hardship (such as potential loss of employment), there is a process in place to stop the referral to the Motor Vehicles Administration (MVA) or reinstate the license to have the suspension removed; as well as to enter into a payment plan with the local child support office. Additionally, the obligor is provided advance notice allowing 30 days to contest prior to CSA referring the suspension to MVA as well as an additional 30 days to contest before the license is suspended.

For these reasons, the Maryland Department of Human Services respectfully requests that the Committee return an unfavorable report for HB 580.