

## **TESTIMONY IN SUPPORT OF SENATE BILL 139:**

## **Driver's Licenses - Suspension for Child Support Arrearages - Exception**

TO: Hon. Luke Clippinger, Chair and Members of the House Judiciary Committee

FROM: Christopher Dews, Policy Consultant

DATE: March 26th

## **Crossover Testimony**

The Center for Urban Families (CFUF) fully supports Senate Bill 139, including the sponsor amendments allowing this bill to coincide smoothly with Senate Bill 174. We believe that both of these companion bills will do wonders for assisting lower-income workers and job seekers.

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## **Original Testimony**

The Center for Urban Families (CFUF) advocates for legislative initiatives to strengthen urban communities by helping fathers and families achieve stability and economic success. CFUF supports Senate Bill 139 to repeal the punitive practice of driver's license suspensions for lower-income obligors.

Mobility is key in Maryland's regional economy. The Census Bureau reported that almost 40% of Marylanders travel outside their county for employment. This statistic is more pronounced for lower-income communities of color where there is a scarcity of jobs available by public transit. Only 8.5% of jobs in the Baltimore region can be reached within one hour, one way by public transit. Thus, a valid driver's license and a vehicle are necessary for economic sustainability.

An Abell Foundation <u>report</u> found that across Maryland, 50 percent of noncustodial parents in the state child support program caseload were employed in 2017, and 43 percent of these earned minimum wages or less but owe an average of \$10,000 in unpaid arrearages. In Baltimore, where CFUF services most of its clients, 57 percent of noncustodial parents were employed, and 47 percent earned the minimum wages or less but owed an average of \$13,300 in unpaid arrearages. They will never pay down this debt, especially when the current law magnifies the issue by crippling their mobility.

Maryland Code Ann., Fam. Law § 10-119 states that upon 60 days of nonpayment of child support, an obligor shall have their license or privilege to drive suspended. Beyond this, Maryland Code Ann., Transportation §16–303 states that driving on an invalid license (suspended, canceled, or revoked) in Maryland is a crime punishable by up to (1) one year in jail, a \$1000 fine, or both. Until recently, driving



on a license suspended for child support came with similar penalties. As such, child support debt triggers a suspended driver's license, arrest, or hefty fines, further complicating the ability of low-wage workers to secure employment and make payments.

Additionally, a report cited by the Abell Foundation found that 42% of individuals who had their licenses suspended lost jobs as a result of the suspension, 45% of those who lost jobs could not find another job, and 88% of those who were able to find another job reported a decrease in income (Voorhees, 2006).

Federal Code 42 U.S.C.A. § 666 (a) demands that all States have laws that "increase the effectiveness of the [child support enforcement] program which the state administers" and allows the State to withhold, suspend, or restrict licenses of individuals owing child support in "appropriate cases" (16). No evidence suggests suspending an individual's driver's license improves arrears collection for persons making less than 250% of the Federal Poverty Level (FPL) or \$38k annually. However, Maryland continues to suspend lower-income obligors, arguing a need to comply with federal law.

CFUF believes that driver's license suspensions for workers who make less than \$38k annually cannot be considered "appropriate" or increasing "effectiveness" as it (1) wastes taxpayer dollars in collections enforcement, (2) prohibits and eliminates access to employment for workers and job seekers, and (3) heightens tensions between the custodial parties which, in turn, decreases compliance rates. As such, Maryland should pass Senate Bill 139 to repeal driver's license suspensions as a penalty for obligors who make less than \$38k per year (250% FPL) and ensure that the state is not preventing obligors from securing the employment needed to pay their child support payments. California passed similar provisions with \$B1055 (2022), eliminating license suspensions for obligors with a household income at or below 70% of the county's median income, which is far more expansive than our considerations.

If Maryland truly wants to stay in compliance with federal statutes regarding child support enforcement, the most effective way to accomplish this would be to ensure that all non-custodial parents have the financial standing to remain in compliance with their obligation. Suspending licenses for lower-income obligors contradicts the stated purpose of increasing compliance in child support payments and engagement with family where appropriate. It cripples the primary way the Child Support Enforcement Agency can collect (wage garnishments) by eliminating access to employment needed to pay down arrears. We urge a favorable report on Senate Bill 139 for these reasons and more.