

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 804
Judiciary

(Delegate Rosenberg, *et al.*)

Child Support Administration - Suspension of Driver's License or Privilege to
Drive for Arrears - Exemption

This bill exempts an obligor whose income is at or below 200% of the federal poverty level from provisions requiring the Motor Vehicle Administration (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.

Fiscal Summary

State Effect: General and federal fund expenditures may increase beginning in FY 2019, as discussed below. Federal fund revenues increase correspondingly to any increase in federal fund expenditures.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Child Support Administration (CSA) may notify MVA of an obligor with a noncommercial license who is 60 days or more out of compliance (120 days or more for a commercial license) with the most recent order of the court in making child support payments, as specified. After receiving the notification, MVA must suspend the obligor's license or privilege to drive in the State and may issue a work-restricted license or work-restricted privilege to drive, in accordance with statutory provisions.

Before supplying information to MVA, CSA 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.

CSA must also give the obligor a reasonable opportunity to request an investigation. If, after an investigation or appeal, CSA finds that one of the above grounds exists, CSA may not send any information about the obligor to MVA. CSA may not send information to MVA if it reaches an agreement with the obligor, as specified.

If, after information about an obligor is supplied to MVA, (1) the obligor's arrearage is paid in full; (2) the obligor has demonstrated good faith by paying the ordered amount of support for six consecutive months; (3) one of the above grounds is met; or (4) other specified grounds are met, CSA must notify MVA to reinstate the obligor's license or privilege to drive.

State Fiscal Effect: The Department of Human Services (DHS) advises that it requires 29 additional caseworkers (one in each local jurisdiction and two in each metro area) to perform the manual process that will exclude obligors impacted by this bill, at an annual cost of \$1.9 million. While acknowledging that the volume of potentially impacted cases (more than 32,000 individuals had information referred to MVA for suspension in fiscal 2017), is likely high enough that any extra work or departure from routine processing methods may not be absorbable, the Department of Legislative Services disagrees that 29 positions, allocated as indicated by DHS, are required.

It is assumed instead that a process can be developed whereby dedicated staff, possibly at a central location, could review income information prior to sending referrals to MVA, to ensure that an obligor at or below 200% of the federal poverty level is not referred to MVA. CSA must already provide written notice to an obligor and give the individual a reasonable opportunity to request an investigation prior to supplying information to MVA; procedures could likely be developed to alert an obligor whose income may be at or below 200% of the federal poverty level to supply necessary information to CSA in order to prevent a referral to MVA. A specific estimate of costs depends on procedures ultimately developed by CSA; however, it is assumed that the bill's requirements can be handled more efficiently and with fewer resources than that proposed by DHS. *For illustrative purposes only, for*

every additional caseworker needed, expenditures increase by at least \$58,000 annually, of which 34% is supported by general funds and 66% is supported by federal funds.

The bill does not materially affect the Office of Administrative Hearings, the Judiciary, or MVA.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mm/jc

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