

**Department of Legislative Services**  
 Maryland General Assembly  
 2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 906 (Senator Muse)  
 Judicial Proceedings

**Child Support - Suspension of Employment-Related License for Arrears -  
 Hardship Exception and Reinstatement**

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 authorizes CSEA to choose temporarily to not request a license suspension if it determines, after an investigation, that the suspension would result in an undue hardship or otherwise be inappropriate. It also expands the reasons under which CSEA is to notify a licensing authority to reinstate a license.

**Fiscal Summary**

**State Effect:** General and federal fund expenditures for the Department of Human Resources (DHR) increase by a total of \$176,400 in FY 2018 only for programming changes. Otherwise, the bill can be implemented and enforced with existing budgeted resources.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	60,000	0	0	0	0
FF Expenditure	116,400	0	0	0	0
Net Effect	(\$176,400)	\$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.

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## **Analysis**

**Bill Summary:** CSEA must include in 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.

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.

**Current Law:** 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 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.

**State Expenditures:** DHR advises that the bill's implementation requires programming costs of \$176,410 (\$59,979 general funds/\$116,431 federal funds) in fiscal 2018 only. 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:** HB 1047 (Delegate Moon, *et al.*) - Judiciary.

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

**Fiscal Note History:** First Reader - March 1, 2017  
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