

VIRGINIA ACTS OF ASSEMBLY -- 2003 RECONVENED SESSION

CHAPTER 975

An Act to amend the Code of Virginia by adding a section numbered 54.1-2400.5, relating to license suspension and certain educational loan defaults.

[H 1792]

Approved April 2, 2003

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 54.1-2400.5 as follows:

§ 54.1-2400.5. Suspension of license, certificate, registration or other authorization issued by a health regulatory board upon delinquency; procedure.

A. An obligee may notify an obligor who is alleged to be in default or delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship or work-conditional grant that (i) the obligor has 30 days from the date of receipt of the notice to pay the alleged delinquency or to reach an agreement with the obligee to pay such delinquency and (ii) if payment is not made or an agreement cannot be reached within that time, a petition will be filed by the obligee seeking suspension of any license, certificate, registration or other authorization to engage in a business, trade, profession or occupation issued to the obligor by a health regulatory board within the Department of Health Professions pursuant to this title. The notice shall be sent by certified mail, with proof of actual receipt required.

B. Upon the expiration of 30 days' notice to an obligor who is alleged to be in default or delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship, an obligee may petition the circuit court in the jurisdiction in which the obligor resides for an order suspending any license, certificate, registration or other authorization to engage in a business, trade, profession or occupation issued to the obligor by any health regulatory board within the Department of Health Professions pursuant to this title.

C. The court shall not suspend a license, certificate, registration or authorization upon finding that an alternate remedy is available to the obligee that is likely to result in collection of the delinquency. Further, the court may refuse to order the suspension upon finding that (i) suspension would result in irreparable harm to the obligor or employees of the obligor or would not result in collection of the delinquency or (ii) the obligor has made a good-faith effort to reach an agreement with the obligee.

D. If the court finds that (i) none of the conditions provided in subsection C apply, (ii) the obligor is delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship, and (iii) he holds a license, certificate, registration or other authority to engage in a business, trade, profession or occupation issued by any health regulatory board within the Department of Health Professions pursuant to this title, it shall order suspension of such license, certificate, registration or authority and shall provide a copy of such order to the relevant health regulatory board within the Department of Health Professions.

Any court order for suspension issued pursuant to this section shall require the obligor to surrender any license, certificate, registration or other such authorization to the relevant health regulatory board within 90 days of the date on which the order is entered.

E. If, at any time after entry of the court order for suspension pursuant to subsection D, the obligor (i) pays the delinquency or (ii) reaches an agreement with the obligee to pay the delinquency and makes at least one payment pursuant to the agreement, then, upon proof of the payment or agreement to pay and at least one payment, the court shall rescind the order and, if the obligor has surrendered any license, certificate, registration or other such authorization, shall order reinstatement of the suspended credential. Such payment shall be proved by notarized statement of payment signed by the obligee.

F. No fee shall be charged by any health regulatory board to a person who obtains reinstatement of a license, certificate, registration or authorization pursuant to this section.

G. The procedure set forth in this section shall be in addition to and not in lieu of any existing or future remedies available to an obligee to collect a delinquent debt from an obligor alleged to be delinquent.