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HOUSE BILL NO. 1792

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Education and Health
on February 13, 2003)

(Patron Prior to Substitute—Delegate Tata)

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

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.

Upon 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. The notice shall be sent by certified mail, with proof of actual receipt required. The notice shall specify that (i) the obligor has 30 days from the date of receipt to pay the delinquency or to reach an agreement with the obligee to pay the delinquency and (ii) if payment is not made or an agreement cannot be reached within that time, a petition will be filed seeking suspension of any license, certificate, registration or other authorization to engage in a business, trade, profession or occupation issued by the Commonwealth to the obligor.

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.

If the court finds that the obligor is delinquent in the payment of a federal- or state-guaranteed educational loan or work-conditional scholarship and that 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 Department of Health Professions. The order shall require the obligor to surrender any license, certificate, registration or other such authorization to the issuing entity within 90 days of the date on which the order is entered. If, at any time after entry of the order, the obligor (i) pays the delinquency or (ii) reaches an agreement with the obligee and makes at least one payment pursuant to the agreement, then, upon proof of payment, the court shall order reinstatement. Payment shall be proved by notarized statement of payment signed by the obligee. No fee shall be charged to a person who obtains reinstatement of a license, certificate, registration or authorization pursuant to this section.