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HOUSE BILL NO. 2596

Offered January 20, 1997

A *BILL to amend the Code of Virginia by adding in Title 23.1 a chapter numbered 4.9:1, consisting of a section numbered 23-38.88, relating to occupational license suspension and certain educational loan defaults.*

Patron—Tata

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 23.1 a chapter numbered 4.9:1, consisting of a section numbered 23-38.88 as follows:

CHAPTER 4.9:1.**EDUCATIONAL LOAN DEFAULTS AND OCCUPATIONAL LICENSE SUSPENSION**

§ 23-38.88. *Suspension of occupational license upon delinquency; procedure.*

Upon thirty 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 the Commonwealth pursuant to Titles 22.1, 38.2, 46.2 or 54.1 or any other provision of law. The notice shall be sent by certified mail, with proof of actual receipt required. The notice shall specify that (i) the obligor has thirty 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 which 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 holds a license, certificate, registration or other authority to engage in a business, trade, profession or occupation issued by the Commonwealth, it shall order suspension of such license, certificate, registration or authority. The order shall require the obligor to surrender any license, certificate, registration or other such authorization to the issuing entity within ninety 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, 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.

INTRODUCED

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