

## Department of Planning and Budget 2017 Fiscal Impact Statement

**1. Bill Number:** HB1611

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Leftwich

**3. Committee:** Courts of Justice

**4. Title:** Child support arrearages; suspension of driver's license.

**5. Summary/Purpose:** This bill requires the Department of Motor Vehicles to renew a driver's license or terminate a license suspension imposed due to delinquency in the payment of child support when it receives from the Department of Social Services a certification that (i) the person has reached an agreement with the Department of Social Services to satisfy the delinquency and has begun paying current support and arrears pursuant to an income withholding order or (ii) the person is indigent and has reached an agreement with the Department of Social Services to satisfy the delinquency based on the person's ability to pay.

**6. Budget amendment necessary:** No.

**7. Fiscal Impact Estimate:** Preliminary. See Item #8.

**8. Fiscal implications:** Under Va. Code § 46.2-320.1, the Department of Motor Vehicles (DMV) suspends and reinstates driver's licenses for child support reasons when instructed to do so by the Department of Social Services (DSS). Although this bill changes procedures at DSS for making payment arrangements, this bill will not change DMV's processes for these suspensions. Therefore, no expenditure is expected by DMV due to this bill.

This bill may impact reinstatement fee revenue. When a driver suspended for child support reasons reinstates their driver's license, they pay a \$145 reinstatement fee, of which \$100 goes to the Trauma Center Fund and \$45 goes to DMV. There are currently 7,989 drivers suspended only for non-payment of child support. To the extent that currently suspended drivers find it easier to enter into payment plans because of this statute, DMV and the Trauma Center Fund would have increased revenue. But if DSS offers these payment plans earlier, such that drivers do not become suspended in the first place and thus do not need to pay the reinstatement fee, DMV and the Trauma Center Fund would receive less revenue. The amount of revenue to be gained or lost is unknown at this time.

The Trauma Center Fund has the identified purpose of defraying the costs of providing emergency medical care to victims of automobile accidents attributed to alcohol or drug use. Although the exact fiscal impact is unknown at this time, in FY2016 there were 5,995 issued suspensions related to child support delinquency. Assuming DSS actively gets all people onto payment plans or identifies them as indigent and unable to pay, their licenses would not be revoked, which could correlate to a loss of \$599,500 from the Trauma Fund under the bill.

However, should they default or already be in default and their licenses are suspended and they subsequently get a payment plan, they would still pay the reinstatement fee, resulting in little impact to the revenue.

The Department of Social Services cannot quantify any potential increase in child support collections revenue because it is unknown how many additional noncustodial parents, if any, would make a lump sum payment or sign an income withholding order as a result of this legislation.

**9. Specific agency or political subdivisions affected:** Department of Social Services, Department of Motor Vehicles, Virginia Department of Health.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 1/20/2017

**Document:** Janet Vogelgesang G:\16-18\FIS 2017\HB1611.docx

cc: Secretary of Transportation  
Secretary of Health and Human Resources