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HOUSE BILL NO. 2228

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rehabilitation and Social Services
on February 10, 1995)

(Patron Prior to Substitute—Delegate Crouch)

A BILL to amend and reenact §§ 20-78.2, 46.2-320, 63.1-250.1 and 63.1-267 of the Code of Virginia, relating to child support enforcement ; denial of driver's licenses; issuance of subpoenas; interest on arrearages.

Be it enacted by the General Assembly of Virginia:

1. That §§ 20-78.2, 46.2-320, 63.1-250.1 and 63.1-267 of the Code of Virginia are amended and reenacted as follows:

§ 20-78.2. Interest on support arrearage.

The entry of an order or decree of support for a spouse or for support and maintenance of a child under the provisions of this chapter or §§ 20-107.1 through 20-109 shall constitute a final judgment for any sum or sums in arrears. This order shall also include an amount for interest on the arrearage at the judgment interest rate if the person to whom such arrearage is payable requests that interest be charged. However, the burden shall be on the person to whom such arrearage is payable, upon instruction of the court, to compute all interest due at the judgment interest rate as established by § 6.1-330.54 and furnish this information to the court unless the obligee, in a writing submitted to the court, waives the collection of interest.

Interest shall accrue at the close of the last day of each calendar month, regardless of the frequency of the installments required by the order, and shall be calculated by multiplying the total arrearage existing at the end of that day, excluding any accrued interest, by the applicable rate of interest. If the order does not specify the date on which payments are to begin, the first installment shall be deemed to be due on the date the order was entered and subsequent installments will fall due on the same day of the week, or date of the month, as appropriate. Payments made by the obligor shall not be applied to reduce any accrued interest balance until the full arrearage balance has been satisfied. Interest shall be considered support for purposes of exemptions, restrictions on amounts that may be withheld by garnishment, and nondischargeability in bankruptcy.

§ 46.2-320. Other grounds for refusal or suspension.

The Department may refuse to grant an application for a driver's license in any of the circumstances set forth in 46.2-608 as circumstances justifying the refusal of an application for the registration of a motor vehicle. The Department may refuse to issue or reissue a driver's license for the willful failure or refusal to pay any taxes or fees required to be collected or authorized to be collected by the Department.

The Commissioner may enter into an agreement with the Department of Social Services whereby the Department may suspend or refuse to issue or renew the driver's license of any person upon receipt of notice from the Department of Social Services that the person is delinquent in the payment of child support by ninety days or more or in an amount of \$5,000 or more. A suspension authorized pursuant to this section shall not be effective until thirty days after receipt by the delinquent obligor of notice of intent to suspend. The notice of intent shall be sent by certified mail by the Department of Social Services, with proof of actual receipt, to the obligor at the last known address as shown in the records of the Department or the Department of Social Services. The obligor shall be entitled to an administrative hearing pursuant to § 63.1-267.1 if a request for hearing is made, in writing, to the Department of Social Services within ten days of receipt of the notice of intent to suspend.

At any time after receipt of a notice of intent to suspend, the person may petition the general district court in the jurisdiction where he resides for the issuance of a restricted license to be used if the suspension becomes effective. Upon such petition and a finding of good cause, the court may issue the restricted permit to operate a motor vehicle for any or all of the following purposes: (i) travel to and from his place of employment and for travel during the hours of such person's employment if the operation of a motor vehicle is a necessary incident of such (ii) travel to and from school if such person is a student, upon proper written verification to the court that such person is enrolled in a continuing program of education; (iii) travel to and from visitation with a child of such person; or (iv) such other medically necessary travel as the court deems necessary and proper upon written verification of need by a licensed health professional.

The Department shall not issue to or renew a driver's license or terminate a license suspension of a person who has been found to be so delinquent in the payment of child support until it has received from the Department of Social Services a certification that the person has (i) paid the delinquency in full or (ii) reached an agreement with the obligee or the Department of Social Services to satisfy the

60 *delinquency and at least one payment has been made pursuant to the agreement. Certification by the*
61 *Department of Social Services shall be made by electronic or telephonic communication on the same*
62 *work day that payment required by clause (i) or (ii) is made.*

63 § 63.1-250.1. Authority to issue certain orders.

64 A. In the absence of a court order, the Department of Social Services shall have the authority to
65 issue orders directing the payment of child, and child and spousal support and, if available at reasonable
66 cost as defined in § 63.1-250, to require a provision for health care coverage for dependent children of
67 the obligor, which shall include the requirements specified for employers pursuant to subdivision A 5 of
68 § 20-79.3. In ordering the payment of child support, the Department shall set such support at the amount
69 resulting from computation pursuant to the guideline set out in § 20-108.2, subject to the provisions of
70 § 63.1-264.2.

71 B. The Department of Social Services shall have the authority, upon notice from the Department of
72 Medical Assistance Services, to use any existing enforcement mechanisms provided by this chapter to
73 collect the wages, salary, or other employment income or to withhold amounts from state tax refunds of
74 any obligor who has not used payments received from a third party to reimburse, as appropriate, either
75 the other parent of such child or the provider of such services, to the extent necessary to reimburse the
76 Department of Medical Assistance Services.

77 C. The Department may order the obligor and payee to notify each other or the Department upon
78 request of current gross income as defined in § 20-108.2 of the Code and any other pertinent
79 information which may affect child support amounts. For good cause shown, the Department may order
80 that such information be provided to the Department and made available to the parties for inspection in
81 lieu of the parties' providing such information directly to each other.

82 D. The Department shall develop procedures governing the method and timing of periodic review
83 and adjustment of child support orders established or enforced or both pursuant to Title IV-D of the
84 Social Security Act. The Department shall, at the request of either parent subject to the order or of a
85 state child support enforcement agency, initiate a review of such order, and initiate appropriate action to
86 adjust such order in accordance with the provisions of § 20-108.2 and subject to the provisions of
87 § 63.1-264.2.

88 E. The Commissioner, the Director of the Division of Child Support Enforcement and district
89 managers of Division of Child Support Enforcement offices shall have the right to subpoena financial
90 records of the responsible person and obligee from any person, firm, corporation, association, or political
91 subdivision or department of the Commonwealth and to summons the responsible parent and obligee to
92 appear in the Division's offices to provide essential information for whatever establishment or
93 enforcement actions are necessary for the collection of child support. *The Commissioner, Director and*
94 *district managers may also subpoena copies of state and federal income tax returns.* The district
95 managers shall be trained in the correct use of the subpoena process prior to exercising subpoena
96 authority.

97 F. In the absence of a court order, the Department may establish an administrative support order on
98 an out-of-state obligor if the obligor and the obligee maintained a matrimonial domicile within the
99 Commonwealth. The Department may also take action to enforce an administrative or court order on an
100 out-of-state obligor. Service of such actions shall be in accordance with the provisions of §§ 8.01-296,
101 8.01-327, or § 8.01-329, or by certified mail, return receipt requested.

102 § 63.1-267. Interest on debts due.

103 ~~Interest of six per centum per annum at the judgment interest rate as established by § 6.1-330.54 on~~
104 ~~any support debt due and owing to the Department under § 63.1-251 may order being enforced by the~~
105 ~~Department pursuant to this chapter shall be collected by the Commissioner for the benefit of the~~
106 ~~support obligee. No provision of this chapter shall be construed to require the Commissioner to shall~~
107 ~~maintain interest balance due accounts and such interest may be waived by the Commissioner, if such~~
108 ~~waiver would facilitate the collection of the debt. The collection of interest may be waived by the~~
109 ~~Commissioner upon written request of the obligee. Interest shall accrue at the close of the last day of~~
110 ~~each calendar month regardless of the frequency of the installments required by the order, and shall be~~
111 ~~calculated by multiplying the total arrearage existing at the end of that day, excluding any accrued~~
112 ~~interest, by the applicable rate of interest. If the order does not specify the date on which payments are~~
113 ~~to begin, The first installment shall be deemed to be due on the date the order was entered, and~~
114 ~~subsequent installments will fall due on the same day of the week, or date of the month, as appropriate.~~
115 *Payments made by the obligor shall not be applied to reduce any accrued interest balance until the full*
116 *arrears balance has been satisfied. Interest shall be considered support for purposes of exemptions,*
117 *restrictions on amounts that may be withheld by garnishment, and nondischargeability in bankruptcy.*