

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 318 (Senator Bromwell)

Judicial Proceedings

**Family Law - Child Support Arrearage -
Distraint, Seizure, and Sale of Obligor's Vehicle**

This bill allows the director of the local child support enforcement offices or the director's designee to authorize placement of an immobilizing boot on an obligor's vehicle as a method of enforcement for child support arrearage. This action will be used when the obligor is 60 days or more out of compliance with the most recent support payment order and other conventional enforcement remedies have failed. The vehicle must be solely owned by the obligor, co-owned with the obligor's current spouse, or owned by a business where the obligor is the sole proprietor. Prior to having the boot placed, the office must verify ownership, record a lien, and send the obligor a notice of intent to boot the vehicle by certified mail. If the obligor contacts the enforcement office in response to the certified letter, negotiations on avoiding boot placement and a settlement for child support arrearage will begin. Failure to respond to the certified letter in the time allotted will result in the vehicle being booted. The certified letter will also inform the obligor of the date on which the boot shall be placed, the steps for boot removal, the payment of administrative fees, and the amount of time allowed to contact the office to begin negotiations for settlement of arrearage. If the obligor does not contact the enforcement office after the vehicle has been immobilized, the vehicle may be deemed abandoned and sold. The local child support enforcement office must establish regulations and standards of conformity for the implementation of these provisions.

Fiscal Summary

State Effect: Total expenditures increase by \$670,800 in fiscal 2001 (\$228,100 general funds and \$442,700 federal funds), which includes a \$374,900 one-time cost for the purchase of equipment. Future year expenditures increase with annualization and inflation. Potential special fund revenue increase to the extent that the bill's provisions lead to increased child

support collections from Temporary Cash Assistance (TCA) recipients. The actual impact depends upon the amount of additional child support collected in vehicle immobilization cases and whether the payments are made on behalf of TCA recipients.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
SF Revenues	-	-	-	-	-
GF Expenditures	228,100	135,500	136,900	138,200	139,600
FF Expenditures	442,700	263,000	265,600	268,300	270,900
Net Effect	(\$670,800)	(\$398,500)	(\$402,500)	(\$406,500)	(\$410,500)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local sheriff’s offices are required to place the immobilizing boot and a notice on the obligor’s vehicle. The impact of this bill on local revenues, expenditures, and staffing cannot be reliably determined at this time. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential minimal to the extent that vehicle immobilization boots are purchased from small businesses.

Analysis

Current Law: Non-payment of child support and support payment arrearage may result in the suspension of driving privileges, suspension or denial of occupational licenses, earnings withholding, a lien on real or personal property, or fines and imprisonment. No provisions authorize the placement of an immobilizing boot on an obligor’s vehicle.

Background: This bill uses license suspension as the model for successful child support payment enforcement by including many of the provisions used since 1996 in the Child Support Enforcement Administration’s (CSEA) Driver License Suspension Program. The CSEA licence suspension program has led to increased child support collections. This bill has similar stipulations applied prior to completing the enforcement action, including 60 days or more of non-compliance and sending a written notice of intent that must present an opportunity for contact with the enforcement office for settlement prior to any enforcement action. The Department of Human Resources plans to use license suspension and vehicle immobilization simultaneously when conventional collection methods have failed. In fiscal 1999, 38,237 referrals were sent to the Maryland Department of Transportation to suspend an obligor’s driving privileges, resulting in 9,180 suspensions. The fiscal effect of this bill is based on 9,180 potential enforcement actions annually.

State Revenues: State special fund revenues could increase to the extent that the bill’s provisions lead to increased child support collections. The true impact depends upon the

amount of additional child support actually collected in cases where the obligor had a vehicle immobilized and the support payments are made for TCA recipients.

Information was not readily available on the potential for successful collections from the 9,180 possible obligors affected by this bill. Furthermore, the proportion of special fund revenue from collections made on behalf of TCA recipients cannot be estimated at this time. For contextual purposes only, statewide collections on behalf of all TCA recipients totaled approximately \$23 million in fiscal 1999, or approximately 6% of the \$374 million total child support collections. TCA recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made in support of the children. As a result, TCA child support collections are distributed 50% to the State and 50% to the federal government.

State Expenditures: Total expenditures increase by \$670,767 in fiscal 2001, including \$228,061 in general funds for the 34% State share of child support enforcement costs. Federal matching fund expenditures will increase by \$442,706 in fiscal 2001 for the remaining 66% share of total cost.

This estimate assumes: (1) 9,180 referrals in fiscal 2001, or a maximum of 765 attachments per month, based on the number of driver's license suspensions in 1999; (2) the purchase of 765 vehicle-immobilizing boots at a cost of \$490 each for distribution to the local enforcement offices; (3) boot attachment will be conducted by the local sheriff's office for a placement cost of \$30 per boot; (4) 9,180 liens recorded at \$10 per lien; and (5) 9,180 notices sent by certified mail at \$2.98 each for postage. Out-year estimates reflect a constant number of obligors (9,180) each year, annualization, and inflation.

Any increase in workload for administering the bill's provisions could be handled using existing resources.

Local Fiscal Effect: An increase in sheriff's office personnel may be needed in the local jurisdictions, depending on the number of vehicles to be immobilized, current workloads, and current parking enforcement methods. Some local jurisdictions will be affected more than others. Jurisdictions in which the sheriff's office already boot vehicles for traffic violations may be able to handle the increase in workload using the \$30 fee combined with existing personnel and resources. On the other hand, Baltimore City advises that a lack of staffing and resources will make it difficult to meet the bill's requirements. The sheriff's office in Baltimore City does not immobilize vehicles; the Parking Enforcement Division of the Department of Public Works currently has that responsibility. Expenditures for the sheriff's office enforcement personnel could thus increase, depending on the number of cases within the city that require the attachment of a boot.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources (Child Support Enforcement Administration), Baltimore City, Montgomery County, Town of Indian Head, Department of Legislative Services

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