

New Jersey Judiciary  
Report to the Legislature  
on the  
Suspension of Licenses Due to Child Support Arrears  
State Fiscal Year 2006

I. Background

The federal Personal Responsibility Work Opportunity Reconciliation Act of 1996 (PRWORA) called for states to develop legislation to increase ways in which compliance with child support orders could be increased. Section 369 of PRWORA requires States to have and use the authority to withhold, suspend or restrict the use of driver's licenses, professional and occupational licenses, recreational and sporting licenses of individuals owing past due support or failing after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings. In response to that call, the New Jersey Child Support Improvement Act under N.J.S.A. 2A:17-56.41 et seq. provides the authority to deny, revoke or suspend a driver's license, professional license (including a license to practice law), or occupational license held by the obligor in order to encourage compliance with child support orders. To further encourage compliance, N.J.S.A. 2A:17.56.44 requires applicants for licenses to certify on the license application form under the penalty of perjury that they: do not have a child support obligation or, if they do, they do not owe six month's or more worth of arrears; have provided any court ordered health care coverage; have not failed to respond to a subpoena relating to paternity or child support proceedings; or are not the subject of a child support related warrant.

II. Description of the Process

Prior to seeking a license suspension or revocation, all appropriate enforcement methods, when available, such as income withholding, withholding of civil lawsuit awards, and the seizure of assets, must be exhausted. The selection criteria for the suspension of drivers' and professional licenses are as follows:

- 1) The child support arrearages equals or exceed the amount of child support payable for six months and the obligor is not paying the arrearage through an income withholding or in accordance with a court ordered payment schedule; or
- 2) Court ordered health care coverage is not provided; or
- 3) If the obligor fails to respond to a subpoena relating to a paternity or child support action.

All attempts to enforce the support provisions through income withholding, withholding of civil lawsuit awards, and the execution of assets, when available, must be exhausted before license suspension is attempted. Once a case has been selected based upon above mentioned criteria, the Automated Child Support Enforcement System (ACSES) will generate a notice of proposed license suspension for child support and the obligor has three payment options:

New Jersey Judiciary  
Suspension of Licenses Due to Child Support Arrears  
Fiscal Years 2006

- 1) Pay the arrears in full within three working days (negotiable up to fifteen working days).
- 2) Agree to pay 25% of the total arrearage amount within three working days (negotiable up to fifteen working days) and agree to a payment schedule to satisfy the remaining arrears balance within one year.
- 3) Make a lump sum payment to bring the total arrearage amount under the six month arrearage threshold within three working days (negotiable up to fifteen working days) and keep the arrears balances below the threshold amount.

If none of the payment plans are feasible, or if the recipient alleges an error has been made, he or she can contest the proposed suspension and request a hearing. No response to the notice will result in the immediate suspension of any known licenses.

The Child Support Improvement Act also calls for drivers licenses to be suspended automatically by operation of law upon the issuance of a child support bench warrant. A child support- related bench warrant may be issued when the obligor does not appear for a hearing to establish paternity or support, the obligor does not appear for an enforcement hearing, or the obligor fails to adhere to the terms of an order (e.g., fails to make one or more specific payments or fails to provide medical coverage). On average, there are about 35,000 active child support warrants at any given time. The Automated Child Support Enforcement System (ACSES) is interfaced to the automated system used by the Motor Vehicle Commission to identify child support obligors with active bench warrants so that their drivers' licenses can be suspended. The notice of suspension is issued automatically by the Motor Vehicle Commission. Upon the discharge of the warrant, the obligor is eligible to apply to the Motor Vehicle Commission to restore the license for a fee of \$100.

### III. Results

The suspension of drivers' licenses as a coercive tool has been a successful, frequently employed method of collecting child support. The majority of licenses that we suspend are by operation of law. In the past state fiscal year ending June 30, 2006, 19,843 drivers' licenses were suspended and 22,626 were restored resulting in collections of \$35,492,677 directly attributable to these actions.

The drivers' license suspension/restoration project has made a significant impact in the child support arena as illustrated by its continued growth over the past few years. The state fiscal year 2006 figures exceeded the previous state fiscal year 2005 in which a total of 18,204 licenses were suspended and 20,035 were restored, resulting in \$32,494,593 being collected for support.

New Jersey Judiciary  
Suspension of Licenses Due to Child Support Arrears  
Fiscal Years 2006

Clearly the implementation of this program has positively impacted families that rely upon receiving support and, as an indirect benefit, has resulted in an additional revenue stream for the Motor Vehicle Commission.

The Department of Human Services, Division of Family Development, (which owns the child support computer system) is in the process of developing a new computer system to replace ACSES, called NJKiDS. NJKiDS will provide us with greater technology to take advantage of interfaces with other licensing agencies as those agencies upgrade their systems to be compatible with NJKiDS. Once licensing authorities have upgraded their computer systems to be compatible with NJKiDS, an interface can be developed between systems so that applicants can be screened for child support arrearages at the time of application. In addition, interfaces with other licensing authorities will give PCSE the ability to consider additional professional /occupational suspensions when all other enforcement measures have been exhausted. NJKiDS will also automate many of the processes that are now done manually and reduce significant amounts of hand-off time between processes. It is anticipated that NJKiDS will be implemented in 2008.

We continue to have great success with the driver's license program and anticipate even greater success with the implementation of NJKiDS and the capability to automatically identify cases eligible for suspension based upon statute and defined selection criteria.