

CHAPTER 265
FORMERLY
HOUSE BILL NO. 257
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 29 AND TITLE 30 OF THE DELAWARE CODE RELATING TO DENIAL OR SUSPENSION OF PROFESSIONAL AND OCCUPATIONAL LICENSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend §8735(l), Title 29 of the Delaware Code as effective until August 6, 2013 by making insertions as shown by underlining as follows:

(l) The provisions of §§ 516(g) and 2216 of Title 13 and § 547 of Title 30 shall supersede any provisions of this section to the contrary and any provisions or procedures, by statute or regulation, of any commission, board or agency named in this section with respect to matters involving any applicant or licensee under § 516(g) or § 2216 of Title 13 and § 547 of Title 30. Upon receipt of notification from the Family Court pursuant to § 516(g) of Title 13, or notice from the Director of the Division of Child Support Enforcement pursuant to § 2216 of Title 13 or notice from the Director of the Division of Revenue pursuant to § 547 of Title 30 regarding a licensee or applicant, the Director of the Division of Professional Regulation shall forthwith suspend, or deny to such licensee or applicant the issuance or renewal of, any license, permit, certificate, approval, registration or other similar form of permission or authorization to practice or engage in any profession, occupation or business of any commission, board or agency named in this section (but not including any license issued on behalf of a nonprofit applicant by the Board of Charitable Gaming as set forth in Chapter 15 of Title 28).

Section 2. Amend §8735(l), Title 29 of the Delaware Code as effective August 6, 2013 by making insertions as shown by underlining as follows:

(l) The provisions of §§ 516(g) and 2216 of Title 13 and § 547 of Title 30 shall supersede any provisions of this section to the contrary and any provisions or procedures, by statute or regulation, of any commission, board or agency named in this section with respect to matters involving any applicant or licensee under § 516(g) or § 2216 of Title 13 and § 547 of Title 30. Upon receipt of notification from the Family Court pursuant to § 516(g) of Title 13, or notice from the Director of the Division of Child Support Enforcement pursuant to § 2216 of Title 13 or notice from the Director of the Division of Revenue pursuant to § 547 of Title 30 regarding a licensee or applicant, the Director of the Division of Professional Regulation shall forthwith suspend, or deny to such licensee or applicant the issuance or renewal of, any license, permit, certificate, approval, registration or other similar form of permission or authorization to practice or engage in any profession, occupation or business of any commission, board or agency named in this section (but not including any license issued on behalf of a nonprofit applicant by the Board of Charitable Gaming as set forth in Chapter 15 of Title 28).

Section 3. Amend Title 30 of the Delaware Code by making insertions as shown by underlining that will add a new § 547 as follows:

§ 547. Professional and occupational licenses; denial or suspension.

(a) Definitions, as used in this section:

(1) Debt means any amount owed for tax (including any interest, additional amounts, additions to tax, and assessable penalties) payable under Title 30 of the Delaware Code and subchapter VII of Chapter 5 of Title 4 of the Delaware Code that exceeds, in aggregate, \$1,000 and that has been reduced to a judgment pursuant to § 554 of this Title.

(2) Debtor means a person liable for a debt.

(3) Director of the Division of Professional Regulation means the Director of the Division of Professional Regulation of the Department of State or the designee of the Director of the Division of Professional Regulation.

(4) Director of Revenue means the Director of the Division of Revenue of the Department of Finance, or the designee of the Director of Revenue.

(5) License means a license, permit, certificate, approval, registration or other similar form of permission or authorization to practice or engage in any profession, occupation, calling or business issued or

renewed by any commission, board or agency under the authority of the Division of Professional Regulation of the Department of State which is named in § 8735 of Title 29.

(b) *Cooperative agreements for tax enforcement:* In order to provide for enforcement of the revenue laws of this State by means of the denial or suspension of licenses issued to or applied for by debtors, the Director of the Division of Professional Regulation shall enter into a cooperative agreement with the Director of Revenue to exchange information about any debtor who owes a debt to this State and who applies for or holds a license issued or renewed by any commission, board or agency under the authority of the Division of Professional Regulation which is named in § 8735 of Title 29. The specific information and the manner and frequency with which it is made available or otherwise exchanged between the Division of Revenue and the Division of Professional Regulation shall be as determined by each cooperative agreement, but such information shall be made available or otherwise provided at least once each calendar year. Each cooperative agreement shall be revised as necessary to effectuate the provisions and purposes of this section. From such information provided by the Division of Professional Regulation, the Division of Revenue, at such intervals as it determines, may identify such applicants or licensees who are debtors, and undertake enforcement action pursuant to this section.

(c) *Notice of intent to deny or suspend license:* Subject to the provisions for notice and the right to a hearing provided for by this section, the Director of Revenue shall give written notice to a debtor that a license issued or renewed by any commission, board or agency under the authority of the Division of Professional Regulation which is named in § 8735 of Title 29 may be denied, suspended, or shall not be issued or renewed.

(d) *Contents of Notice.* The notice provided for in this section shall be sent by registered or certified mail to the debtor's last address known to the Division of Revenue and shall inform the debtor:

(1) of the nature and amount of the debt,

(2) that the debt has been reduced to judgment in the Superior Court of the State of Delaware pursuant to § 554 of this Title (a copy of which judgment shall be included with the notice), and

(3) that, pursuant to this section and § 8735 of Title 29 of the Delaware Code, this information will be sent to the Delaware Division of Professional Regulation for the purposes of suspending or denying the issue or renewal of debtor's license unless, within 20 days of the notice, the debtor shall have:

(A) paid the debt in full, or

(B) entered into a written agreement with the Director of Revenue or the Director's designee for payment of the debt with such terms as the Director of Revenue may require, or

(C) requested a hearing pursuant to subsection (e) of this section, at which the debtor may present evidence, be represented by counsel of debtor's choice and at debtor's expense, and appear personally or by other representative and at which the Director of Revenue or the Director's delegate will reach a decision based on the evidence received.

(e) *Request for hearing on proposed suspension or denial of license.* Upon written request by the debtor to the Director of Revenue mailed or delivered within 20 days from the date of mailing the notice of intent to deny or suspend a license, the Director of Revenue or the Director's delegate shall conduct a hearing pursuant to the provisions of Title 29, Del. C., Chapter 101 for the limited purpose of determining that the debt exceeds \$1,000 and that it was reduced to judgment pursuant to Title 30, Del. C. § 554. No evidence may be received at the hearing regarding the appropriateness or validity of the final assessment of the tax (including any interest, additional amounts, additions to tax, and assessable penalties) that has been reduced to judgment pursuant to Title 30, Del. C. § 554. The Director of Revenue shall give written notice of the hearing to the debtor in accordance with Title 29, Del. C., Chapter 101.

(f) *Denial or suspension of professional or occupation license.* Upon certification by the Director of Revenue to the Director of the Division of Professional Regulation of compliance with the provisions of this section, the latter shall immediately suspend all licenses issued to the debtor by any commission, board or agency under the authority of the Division of Professional Regulation which is named in § 8735 of Title 29; shall deny any applications to issue or renew any such license or licenses by the debtor; and shall give written notice of the suspension or denial to the debtor. The debtor shall remain ineligible for the issuance, renewal or reinstatement of any license until the Director of the Delaware Division of Professional Regulation obtains from the Director of

Revenue written certification that the grounds for denial or suspension of a license under this section no longer exist. The Director shall provide such written certification to the Director of the Division of Professional Regulation within 30 days from the time at which the grounds for denial or suspension of a license under this section no longer exist. Whenever the Director provides such written certification to the Director of the Division of Professional Regulation, the debtor shall also be notified by the Director of Revenue that the basis for the denial or suspension of debtor's license no longer exists.

(g) *Regulations.* -- The Director of Revenue may promulgate rules and regulations necessary to implement the provisions of this Section.

(h) *Disclosures permitted by this statute.* No disclosures or exchanges of information made by the Director of Revenue in a good faith effort to comply with this section shall be a violation of any statute prohibiting disclosure of taxpayer information.

(i) *Remedies not exclusive.* The remedies provided in this section shall be in addition to any other remedies for the enforcement of tax obligations.

Section 4. This Act shall be effective for all judgments entered pursuant to Title 30, Del. C. § 554 on, or after the date of enactment.

Approved June 19, 2012