

Testimony in Support of SB 37 Anne K. Sweeney Ohio House of Representatives Homeland Security Committee December 11, 2024

Chairman Ghanbari, Vice Chair Plummer, Ranking Member Thomas, and Representatives Abrams, Blackshear, Jr., Brent, Carruthers, Creech, Demetriou, Hall, Miller, Miller and Mohamed, thank you for the opportunity to provide testimony to this Committee in support of Senate Bill 37.

My name is Anne Sweeney and I work with the National Legal Aid and Defender Association as the Chief of the Civil Legal Services Division. Previously I worked for twenty years at the Legal Aid Society of Cleveland. In both my former and current positions, I hear from clients, community members, advocates and attorneys about the impossible trap created by debt-based driver's license suspensions. Specifically, a driver whose license is suspended for failure to pay a court debt, fine, or other court-imposed financial obligation needs to work to earn the money owed, but without a license the driver cannot lawfully get to work so cannot earn the money to pay the amount owed. Members of this committee, you have the opportunity to remove this burdensome catch-22 that prevents well-intentioned Ohio drivers from legally operating a motor vehicle by passing Senate Bill 37.

Debt-based driver's license suspensions are suspensions based on a person's failure to pay a fine or court fee rather than based on dangerous driving. In theory, the risk of suspension would incentivize the person to pay. In reality, Ohio's current scheme creates such an exorbitant amount of increasing penalties that many Ohioans simply cannot afford to pay. As a result, the courts and Bureau of Motor Vehicles spend time and money imposing suspensions for which the state collects little revenue and which fails to achieve the public policy goal of ensuring drivers on the road are insured. The report, *Road to Nowhere: Debt-Related Driver's License Suspension in Ohio*, details the number and types of suspensions and the amounts owed and paid to the BMV.¹

The national Fines and Fees Justice Center² articulates three crucial reasons to eliminate debt-based driver's license suspensions that are relevant and applicable in Ohio.

First, "driver's license suspensions cost people their livelihoods. 86% of Americans drive to work and many jobs require a driver's license. Without a license, you can't take your children to school, buy groceries, or get healthcare. Many people have no choice but to continue driving — meaning they risk more fines and fees, a criminal conviction, and incarceration."³ The same is true for Ohioans. According to a paper published by Dr. Brian Mikelbank, nine out of ten Ohio workers rely on a private vehicle to get to work.⁴

¹ See <u>https://lasclev.org/roadtonowherereport/#flipbook-df 46427/1/</u>.

² See <u>https://finesandfeesjusticecenter.org/campaigns/national-drivers-license-suspension-campaign-free-to-drive/</u>, accessed December 8, 2024.

³ Id.

⁴ Mikelbank, Brian Dr., "Race, Poverty, And Debt-Related Driver's License Suspensions," *Journal of Economics, Race, and Policy* (July 26, 2024), accessed at https://doi.org/10.1007/s41996-024-00150-6.

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Second, "suspending licenses cuts economic growth. People who can't work or who lose income due to a suspended license have less money to contribute to the economy and less money to pay off their initial fines and fees — leaving them saddled with court debt for years."⁵ According to a report published by the Federal Reserve of Cleveland, debt-related suspensions (DRS) "have the potential to significantly impact Ohio's labor force. For example, if just half of those with a DRS were to comply [with the terms of their suspension], the impact statewide could result in a potential loss of over 830,000 working or work-seeking individuals from the labor force."⁶

Third, "license suspensions undermine public safety. When law enforcement uses valuable time to cite, stop, fine and arrest people for driving on a suspended license due to unpaid fines and fees, they have less time to investigate and focus on crimes that endanger people's lives."⁷ A policy study by R Street summarized several research studies examining this topic. For example, one study found that time spent on non-traffic related suspensions, paperwork, waiting for a tow and transporting a person to jail is time lost on other critically needed public safety functions. "A 2018 study found that cities that relied on law enforcement for debt-collection-related revenue generation had lower rates of violent and property crime clearance."⁸

Ohio's current debt-related driver's license scheme imposes harsh and counterproductive penalties in terms of the number of ways a person's license can be suspended and in terms of the fees imposed related to suspensions. SB 37 makes important changes to better balance the public policy interest in ensuring Ohioans maintain a valid license and insurance while also paying their debts.

To be clear, SB 37 would eliminate driver's license suspensions as a penalty for failure to pay court fines and fees but it does not eliminate the obligation to pay the amounts owed. Ohio courts and clerks continue to have at their disposal all of the other debt collection options available under Ohio law to recoup payment from someone who does not pay. The benefit of SB 37 is that a person who owes court fines and fees would be able to continue lawfully driving to work to earn the money necessary to make payments.

For example, imagine a person appears in court, accepts responsibility for the offense, then returns to work and plans to submit payment on their next pay day. Unfortunately, in the interim, the person has a death in the family, which requires all of the person's time and attention and resources to cope with the loss. In the stress and mourning, the person forgets to pay the court fine. Under current law, the person's license could be suspended, and they could face additional penalties if caught driving while suspended and face a spiral of financial hardship. Under SB 37, the person would avoid additional penalties and could make the payment as soon as the crisis passed.

Importantly, SB 37 also now requires courts to issue a supplemental citation to a person for failure to appear, and wait 30 days from that citation before issuing an arrest warrant or driver's license suspension. This additional notice and waiting period will create an opportunity for people who want to take responsibility and resolve their citation to do so while avoiding the burden of increased penalties.

Under current law, Ohio imposes steep, increasing, cumulative penalties for driving without insurance. As a result, once a person is suspended initially for driving without insurance, the financial obligations make it



⁵ Supra note 1.

⁶ Fee, Kyle and Brian Mikelbank, "Providing Labor Market Context for Debt-Related Driver's License Suspensions in Ohio" (February 28, 2024), available at <u>https://doi.org/10.26509/frbc-cd-20240228</u>.

⁷ Supra note 1.

⁸ R Street Policy Study No. 254, pg. 3 (March 2022). Available at <u>FINAL RSTREET254-1-1-1.pdf</u>.

very difficult to become compliant again. SB 37 would reduce these burdens by shortening the look-back period from five years to one year, by limiting the period of time a person must maintain an SR-22 certificate to just one year, and eliminating the criminal penalties for driving without insurance while required to maintain SR-22. SB 37 also creates a mandatory 45-day grace period during which a driver can prevent a suspension by presenting proof of insurance.

In closing, Ohio should join the other twenty-nine states that have eliminated or significantly curbed driver's license suspensions for failure to pay fines or fees, including a diversity of states from Montana to New Mexico to New Jersey to Georgia.⁹ Reform to end debt-related driver's license suspensions has received bipartisan support nationwide because it is smart public policy. In Ohio, SB 37 will make it easier for more drivers to stay employed, pay what they owe to the court, and maintain insurance. I urge you to vote in favor of SB 37.



⁹ See <u>https://www.freetodrive.org/maps/#page-content</u>, accessed December 8, 2024.