

Date of Hearing: March 19, 2024

**ASSEMBLY COMMITTEE ON TRANSPORTATION**

Lori D. Wilson, Chair

AB 2145 (Wilson) – As Introduced February 6, 2024

**SUBJECT:** Driving privilege: suspension

**SUMMARY:** Requires the Department of Motor Vehicles (DMV) to provide a 30-day notice in writing to a person that their privilege to operate a motor vehicle will be canceled because of a dishonored check. Specifically, **this bill**:

- 1) Requires the notice to the person contain the date that their license will be suspended if they do not pay the fees.
- 2) Authorizes a person to pay their fees due to DMV during the 30-day period in order to avoid the cancellation or surrender of their license.

**EXISTING LAW:**

- 1) Authorizes DMV to cancel a driver's license and provides that a "cancellation" means that a driver's license certificate is terminated and must be surrendered. (Vehicle Code (VEH) Section 13100)
- 2) Authorizes DMV to cancel a driver's license if the license was issued erroneously or the application contains any erroneous or false statement, which includes a dishonored check. (VEH 13362)
- 3) Authorizes DMV to suspend a person's driver's license if a check has been dishonored when that check was presented to DMV in payment of a fee or penalty owed by the person for the issuance, reissuance, or return of the person's driver's license after suspension, revocation, or restriction of the driving privilege. (VEH 13364)
- 4) Makes it a crime to drive without a license. (VEH 12500)
- 5) Provides that a person who drives without a license is guilty of an infraction with a fine of \$100 for the first two offenses, or as a misdemeanor or an infraction for a third offense or if they have certain prior convictions. (VEH 40000.10)
- 6) Makes it a crime to drive with a suspended license. (VEH 14601, 14601.1)
- 7) Provides that a person who drives with a license that was suspended because of a dishonored check a misdemeanor punishable by imprisonment in a county jail for no more than six months, or by a fine not less than \$300 or more than \$1000, or both fine and imprisonment. (VEH 14601.1)
- 8) Provides that most driver's licenses expire within 5 years on the fifth birthday of the applicant following the date of the application for the license. (VEH 12816)

**FISCAL EFFECT:** Unknown

**COMMENTS:** DMV provides a variety of payment options for an original or renewed license. A class C driver's license, the standard license for most drivers, currently costs \$45. DMV provides a variety of methods to pay that fee, including cash, credit, or check. DMV is authorized to immediately cancel the driver's license should the person opt to pay with a check and that check is dishonored. DMV mails an order of cancellation to the driver, which notifies them that they are required to surrender their license to DMV and pay a fee of \$63. The form also notifies them that if they fail to surrender their license, their license will be suspended. The notice does not provide a date for when the license must be surrendered to avoid a license suspension. There is no information on the order of cancellation explaining the difference between a canceled license and a surrendered license.

According to the author, "The current process for handling a bounced check at DMV is flawed and comes with potentially severe criminal consequences. Drivers immediately lose their legal right to drive without any notice, and failure to surrender their license can result in a suspension that would come with stiff penalties if they continue to drive. These penalties may include jail time, a fine over \$1300, and having your car towed. AB 2145 fixes this flawed process by providing a 30-day notice to drivers that their check was dishonored and that they need to either surrender the license or make a valid payment within 30 days to continue to legally drive."

According to the report *Challenges to Employment: Fines, Fees, and License Suspensions*, "driver's license suspensions can have cascading effects, especially on their ability to find or maintain employment. Nearly 30% of jobs require some driving, and 75% of workers commute to work in a car. Some people cannot work when their licenses are suspended, while others choose to keep driving because they have to work, which puts them at serious legal risk if they are caught driving with suspended licenses.

One New Jersey survey of drivers found that 42% of those whose licenses were suspended lost their jobs as a result. And among those who were then able to find other jobs, 88% reported that they earned less. Research has shown that having a valid driver's license and possession of a car is a stronger predictor of finding employment and leaving public assistance than a high school diploma. For example, a 2006 study of primarily Black, single mothers in Pittsburgh who had low incomes found that mobility status had a greater impact on their employment outcomes than educational status or work experience."

According to DMV, approximately 1,400 individuals a month have their licenses canceled as a result of a dishonored check. The consequences of a dishonored check can have significant financial and criminal consequences in addition to the economic consequences of losing the ability to drive to work. To start, to get a valid license the individual would now have to pay the \$63 fee for the dishonored check and the original \$45 for the license, more than doubling the cost of the license. The driver's license cancellation takes effect immediately, making it illegal for them to drive with no opportunity to correct the dishonored check. Driving without a valid license is a crime that carries a \$500 fine.

DMV will suspend a person's driver's license that has been canceled if the driver fails to surrender their license within 30 days. Removing the suspension requires an individual to pay a \$14 reinstatement fee in addition to the driver's license fee and dishonored check fee. This increases the cost of a driver's license from \$45 to \$122. Driving with a suspended license is a misdemeanor punishable by a jail sentence of up to six months, and a fine of \$1,300, and can result in the vehicle being towed.

Recovering a vehicle after it has been towed is expensive. According to a 2019 report from various California legal aid groups *Towed into Debt: How Towing Practices in California Punish Poor People*, the average tow fee in California is \$189, with a \$53 storage fee per day and a \$150 administrative fee. After three days of storage, a towing fee could come out to \$499. If a vehicle was towed for having five or more unpaid parking violations or for vehicle registration purposes, the individual must also pay the unpaid parking debt and vehicle registration before they can retrieve their vehicle.

A person who qualifies for Medi-Cal makes a maximum of \$1672 per month. A dishonored check could quickly result in fines and fees far exceeding their monthly income. In total, a dishonored check for a low-income person who needs a license to get to work could result in a \$122 fee to reinstate their license, a \$1300 fine, jail time, and loss of their vehicle if they drive on their license, and a \$499 fee to get their vehicle back after it being held for three days.

Since 2017, the Legislature has passed various bills to eliminate or mitigate driver's license suspensions unrelated to bad driving because of the criminal and economic consequences of driver's license suspensions. For example, the Legislature has removed driver's license suspensions for failure to pay a traffic fine, failure to appear in court, high school truancy, and vandalism.

Under the provisions of this bill, instead of a driver's license being immediately canceled the driver will be provided with a 30-day notice of cancellation and provided the opportunity for the driver to keep their license if they pay the required fees instead of requiring them to surrender the license. The bill also requires the notice for cancellation to provide the date on which the cancellation will be upgraded to a suspension if the driver fails to pay for the driver's license or surrender it.

*Previous legislation:*

AB 2746 (Friedman), Chapter 800, Statutes of 2022 removed the DL suspension for failure to appear in court.

SB 485 (Beall), Chapter 505, Statutes of 2019 repealed various DL suspensions for reasons unrelated to unsafe driving, including vandalism, controlled substance or alcohol use, firearm use, soliciting or engaging in prostitution.

AB 2685 (Lackey), Chapter 717, Statutes of 2018 eliminated license suspensions for minors who are found to be habitually truant.

AB 103 (Committee on Budget), Chapter 17, Statutes of 2017 removed the DL suspension for failure to pay a traffic fine.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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