



Maryland Consumer Rights Coalition

Testimony to Judicial Proceedings Committee

SB 234: Vehicle Laws – Suspension of Driver’s License or Registration – Unpaid 3 Citations or Judgments

Position: Favorable with Sponsor Amendment

The Honorable Will Smith Jr., Chair
Judicial Proceedings Committee
2 East, Miller Office Building
Annapolis, MD 21401
Cc: Members, Judicial Proceedings Committee

Chair Smith and Members of the Committee:

My name is Marceline White and I’m the Executive Director of the Maryland Consumer Rights Coalition (MCRC). The Maryland Consumer Rights Coalition is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Its 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here today in support of SB 234 with the sponsor’s amendments.

MCRC’s 2019 report *“No Exit: How Maryland’s Debt Collection Practices Deepen Poverty and Widen the Racial Wealth Gap”*, documented the ways in which with numerous fines and fees, particularly local and state-owned fines, lead to a vicious cycle of debt for low-income and working families. The loss of a drivers’ license exemplifies this practice. Low-income Marylanders who owe a traffic citation or judgement risk the suspension of their licenses due to an inability to pay the citation-in other words, due to poverty.

Loss of a license means an individual may no longer be able to get to work and may lose their job; thus making it more difficult to pay their bills and other debts. Should an individual risk driving without a license, if caught, they risk additional fines and possibly jail. MCRC clients who work with us on financial counseling or tenant advocacy have a median income of \$20,000-for these individuals, an unexpected bill whether it is \$50 or \$300 is unaffordable and cataclysmic for their financial well-being.

SB 234 is an important step in reversing this vicious cycle. SB 234 will eliminate drivers license suspensions in many cases. As amended, SB 234 will offer a payment plan for debts starting at \$150 with no set time period for repaying the debt in full; offer a plan to reinstate licenses of Maryland residents whose license are currently suspended; and provides a 30 day notice and several options for an individual to cure or resolve the debt including payment in full; embarking on the payment; or opting for a trial.



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By reducing drivers license suspensions for low-wage workers, SB 234 will assist working families throughout the state; sever the link between drivers licenses and other fines and fees; and ensure individuals can continue to get to work in order to meet their financial obligations. Moreover, a number of studies have shown that instituting income-based repayment plans leads to greater repayment than many other collection efforts.

For all these reasons, we support SB 234 and ask for a favorable report.

Best,

Marceline White
Executive Director