



Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF HB0699:

Motor Vehicles - Driver's License and Insurance Offenses - Penalties

TO: Hon. Kumar P. Barve, Chair, and Members of the House Environment and Transportation Committee

FROM: Christopher Dews, Policy Advocate

DATE: February 11, 2021

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. We strongly support House Bill 699 as a means to ensure that we are not criminalizing poor communities of color for attempting to maintain employment.

Mobility is key in Maryland's regional economy. The employment opportunities for individuals with a suspended driver's license are nearly nonexistent, especially for low-wage workers. Most of the jobs they are eligible to even apply for require a valid driver's license (e.g. construction, plumbing, sales, CDL positions, etc.). Additionally, the lack of a regional public transit system places most residents at the mercy of mobility – the key to mobility being a valid driver's license. In fact, only 9% of jobs in the Baltimore region can be reached within one hour, one-way by public transit. Almost half of working Marylanders travel to another county to work, yet many are choosing between income and safety, or even further, income and criminal penalties because their driver's license is suspended or they can't afford auto insurance.

In 2018, JOTF released its groundbreaking report called "The Criminalization of Poverty" which dissects the various intersections in which Maryland residents from impoverished communities unjustly encounter the Criminal Justice System. One of the most salient ways in which the poor are criminalized in Maryland lies within its draconian motor vehicle laws. Maryland Code Ann., Transportation §16-303 and §17-707 state that driving on an invalid license (suspended, canceled, or revoked) or without auto insurance in Maryland is a crime punishable by up to (1) one year in jail, a \$1000 fine, or both. Yet, for the 500,000 uninsured motorists who traverse Maryland's roads every day, insurance costs are insurmountable.

This is due to the fact that Maryland law allows private auto insurers to utilize non-driving related factors including credit scores, education level, occupation, and zip code to set insurance premiums. The use of these factors results in disproportionately high premiums for low-income workers of color who simply can't afford it. A study conducted in Maryland found that holding all other factors constant, drivers living in urban neighborhoods pay 60% to 100% more than drivers living in nearby suburbs. A 2013 study by the Consumer Federation of America (CFA) showed that several major auto insurers charge higher rates to drivers with less education and lower-status jobs, who also, undoubtedly, have a poor credit history.

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The same study found that good drivers with low credit scores are charged as much as **123 percent more** than drivers with high credit scores, controlling for all other factors including driving record. A 2012 CFA study also showed that insurers' use of credit scores, which are a proxy for income, show disparate treatment of low- and moderate-income drivers, with low-income drivers in Baltimore - the majority of whom are African American - being asked to pay significantly higher premiums due to their low-income status.

In 2015, NPR reported that 62% of Marylanders who owe child support make less than minimum wage, but owe at least \$10,000 in unpaid arrearages. They will never pay down this debt, especially when the current law magnifies the issue by crippling their mobility. Maryland Code Ann., Fam. Law § 10-119 states that upon 60 days of nonpayment of child support an obligor shall have their license or privilege to drive suspended. As such, child support debt triggers a suspended driver's license, arrest, or incarceration, further complicating the ability of low-wage workers to secure employment and make payments.

Data suggests that this issue is racialized as well, adversely disrupting the lives of African-Americans. Although Blacks make up 31.1% of Maryland's population, MDOT data suggests that they made up to 71% of the license suspensions between 2015 - 2020. At JOTF, we routinely encounter those who are directly impacted by Maryland's use of driver's license suspension and revocation as a debt collection practice. We encounter it through the stories of our Project JumpStart participants or from the millions of low-wage workers who we advocate for in Annapolis. In every instance, the case is the same – a debt is owed, there is no ability to pay, a driver's license is revoked or suspended – creating a cycle of lost employment, income, and even your freedom. Communities of color are impacted the most, due to over-policing and motor vehicles law steeped in racial profiling.

Above this, is the \$1000 fine imposed by the current state law for driving without a valid license or insurance. As previously stated, the primary reason for a suspended/revoked license lies within their inability to pay for child support, debts, or the heightened insurance rates as they simply do not have the money. With multiple reports showing pre-pandemic that most Americans can't even afford a \$400 emergency expense due to bills and debt- it can be assured that most Marylanders do not have \$1000 to spare for motor vehicle fines.

House Bill 699 both repeals incarceration as a penalty for driving without a valid license or insurance and sharply reduces the fine from \$1000 to \$50. JOTF sees this as a step in the right direction towards decriminalizing poverty and race in Maryland. For these reasons, we respectfully urge a **favorable** report on House Bill 699.