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SENATE BILL DRS35248-MWa-65A

Short Title: Remove Barriers to Employment from Court Debt. (Public)

Sponsors: Senators Sawrey, Britt, and Daniel (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REMOVE BARRIERS TO EMPLOYMENT DUE TO COURT DEBT AND TO
3 APPROPRIATE FUNDS TO IMPLEMENT A TEXT REMINDER SYSTEM FOR COURT
4 DATES.

5 The General Assembly of North Carolina enacts:

6
7 SET AUTOMATIC EXPIRATION OF LICENSE REVOCATIONS BASED SOLELY ON
8 THE NONPAYMENT OF FINE, PENALTY, OR COST FOR MOTOR VEHICLE
9 OFFENSES

10 SECTION 1.(a) G.S. 20-24.1 reads as rewritten:

11 "§ 20-24.1. Revocation for failure to appear or pay fine, penalty or costs for motor vehicle
12 offenses.

13 (a) The Division must revoke the driver's license of a person upon receipt of notice from
14 a court that the person was charged with a motor vehicle offense and ~~he~~did any of the following:

15 (1) ~~failed~~Failed to appear, after being notified to do so, when the case was called
16 for a trial or ~~hearing~~hearing.

17 (2) failed to pay a fine, penalty, or court costs ordered by the court.

18 Revocation orders entered under the authority of this section are effective on the sixtieth day
19 after the order is mailed or personally delivered to the person.

20 (b) A license revoked under this section remains revoked until the person whose license
21 has been ~~revoked~~revoked ~~does any of the following~~:

22 (1) ~~disposes~~Disposes of the charge in the trial division in which ~~he~~the person
23 failed to appear when the case was last called for trial or ~~hearing~~hearing.

24 (2) ~~demonstrates~~Demonstrates to the court that ~~he~~the person is not the person
25 charged with the ~~offense~~offense.

26 (3) pays the penalty, fine, or costs ordered by the ~~court~~court.

27 (4) demonstrates to the court that his failure to pay the penalty, fine, or costs was
28 not willful and that he is making a good faith effort to pay or that the penalty,
29 fine, or costs should be remitted.

30 Upon receipt of notice from the court that the person has satisfied the conditions of this
31 subsection applicable to ~~his~~the person's case, the Division must restore the person's license as
32 provided in subsection (c). In addition, if the person whose license is revoked is not a resident of
33 this State, the Division may notify the driver licensing agency in the person's state of residence
34 that the person's license to drive in this State has been revoked.

35 ...



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(b2) Notwithstanding any provision of law to the contrary, a license revoked pursuant only to subdivision (2) of subsection (a) of this section, unless that revocation is related to an offense under G.S. 20-138.1, shall be restored after 36 months have passed following the date of the license holder's most recent conviction for an offense under Chapter 20 of the General Statutes. A license holder whose license is restored pursuant to this subsection shall be required to pay the restoration fee set by G.S. 20-7(i).

Upon termination of suspensions pursuant to this subsection, the Division shall provide notice to each person whose license suspension was terminated by first-class mail to the address on file with the Division. The notice shall inform the person of the other legal consequences associated with continued failure to pay fines and the options for resolution of any fines and fees that they owe. The Division shall post information to its website about the termination of suspensions pursuant to this subsection.

The Administrative Office of the Courts and the Division of Motor Vehicles shall develop a procedure to implement license restorations under this subsection.

(c) If the person satisfies the conditions of subsection (b) that are applicable to ~~his~~the person's case before the effective date of the revocation order, the revocation order and any entries on ~~his~~the person's driving record relating to it shall be deleted and the person does not have to pay the restoration fee set by G.S. 20-7(i). For all other revocation orders issued pursuant to this section, G.S. 50-13.12 or G.S. 110-142.2, the person must pay the restoration fee and satisfy any other applicable requirements of this Article before the person may be relicensed.

(d) To facilitate the prompt return of licenses and to prevent unjustified charges of driving while license revoked, the clerk of court, upon request, must give the person a copy of the notice it sends to the Division to indicate that the person has complied with the conditions of subsection (b) applicable to ~~his~~the person's case. If the person complies with the condition before the effective date of the revocation, the notice must indicate that the person is eligible to drive if ~~he~~the person is otherwise validly licensed.

...

(f) If a license is revoked under subdivision (2) of subsection (a) of this section, and for no other reason, the person subject to the order may apply to the court for a limited driving privilege valid for up to one year or until any fine, penalty, or court costs ordered by the court are paid. The court may grant the limited driving privilege in the same manner and under the terms and conditions prescribed in G.S. 20-16.1. A person is eligible to apply for a limited driving privilege under this subsection only if the person has not had a limited driving privilege granted under this subsection within the three years prior to application."

SECTION 1.(b) G.S. 20-24.2 reads as rewritten:

"§ 20-24.2. Court to report failure to appear or pay fine, penalty or costs.

(a) The court must report to the Division the name of any person charged with a motor vehicle offense under this Chapter ~~who~~who does any of the following:

- (1) Fails to appear to answer the charge as scheduled, unless within 20 days after the scheduled appearance, ~~he~~the person either appears in court to answer the charge or disposes of the charge pursuant to G.S. ~~7A-146; or~~ 7A-146.
- (2) Fails to pay a fine, penalty, or costs within 40 days of the date specified in the court's judgment.

...."

SECTION 1.(c) G.S. 15A-1116(a) reads as rewritten:

"(a) Use of Contempt or Fine Collection Procedures: Notification of DMV. – If the person does not comply with a sanction ordered by the court, the court may proceed in accordance with Chapter 5A of the General Statutes. If the person fails to pay a penalty or costs, the court may proceed in accordance with Article 84 of this Chapter. If the infraction is a motor vehicle infraction, the court must report a failure to pay the applicable penalty and costs to the Division of Motor Vehicles as specified in G.S. 20-24.2."

SECTION 1.(d) This section becomes effective December 1, 2025, and applies to license revocations issued before, on, or after that date.

COLLECT DATA TO MONITOR IMPLEMENTATION AND MEASURE IMPACT

SECTION 2.(a) No later than October 1, 2025, the Division of Motor Vehicles shall collect data and publish a report that shows, as of a result of this act, all of the following information:

- (1) The total number of suspensions on account of failure to pay fines or fees that were terminated, disaggregated by race, ethnicity, gender, and zip code of residence of the person with the suspension; the length of the suspension; the charge; the charge level; and court.
- (2) The total number of people whose licenses were reinstated, disaggregated by race, ethnicity, gender, and zip code of residence.
- (3) The total number and amount of fees, including reinstatement fees, that were waived.
- (4) The total amount of fines and fees related to a prosecution of Driving While License Revoked that were waived.

SECTION 2.(b) Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-24.4. Data collection.

The Administrative Office of the Courts shall collect data related to compliance and collections from courts that adjudicate motor vehicle offenses. All data presented shall be disaggregated by county, court, charge, as well as demographic information about the person against whom the fine or fee was levied, or who was prosecuted, including race, and gender. At a minimum, the data collected shall include all of the following:

- (1) The total amount of fines and fees debt imposed in the preceding year.
- (2) The total amount of fines and fees collected in the preceding year.
- (3) The total amount of fines and fees waived, in full or in part, in the preceding year."

FORGIVENESS OF OUTSTANDING FINES AND FEES ASSOCIATED WITH PREVIOUS DWLR CONVICTIONS IF UNDERLYING SUSPENSION WAS DUE TO FAILURE TO PAY

SECTION 3. G.S. 20-28 is amended by adding a new subsection to read:

"(a4) As of October 1, 2025, if a person has unpaid fines and fees that result from a charge pursuant to subsection (a) of this section, the person or a prosecutor may petition the sentencing court for remission of the fines and fees or any unpaid portion of it. If the court finds that the person's drivers license is suspended solely pursuant to G.S. 20-24.1(a)(2), the court shall order the remission."

CONFORMING AMENDMENTS

SECTION 4.(a) G.S. 20-13.2(e) reads as rewritten:

"(e) Before the Division restores a driver's license that has been suspended or revoked under any provision of this ~~Article, other than G.S. 20-24.1, Article~~, the person seeking to have his driver's license restored shall submit to the Division proof that he has notified his insurance agent or company of his seeking the restoration and that he is financially responsible. Proof of financial responsibility shall be in one of the following forms:

- (1) A written certificate or electronically-transmitted facsimile thereof from any insurance carrier duly authorized to do business in this State certifying that there is in effect a nonfleet private passenger motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility.

1 The certificate or facsimile shall state the effective date and expiration date of
2 the nonfleet private passenger motor vehicle liability policy and shall state the
3 date that the certificate or facsimile is issued. The certificate or facsimile shall
4 remain effective proof of financial responsibility for a period of 30
5 consecutive days following the date the certificate or facsimile is issued but
6 shall not in and of itself constitute a binder or policy of insurance or

- 7 (2) A binder for or policy of nonfleet private passenger motor vehicle liability
8 insurance under which the applicant is insured, provided that the binder or
9 policy states the effective date and expiration date of the nonfleet private
10 passenger motor vehicle liability policy.

11 The preceding provisions of this subsection do not apply to applicants who do not own
12 currently registered motor vehicles and who do not operate nonfleet private passenger motor
13 vehicles that are owned by other persons and that are not insured under commercial motor vehicle
14 liability insurance policies. In such cases, the applicant shall sign a written certificate to that
15 effect. Such certificate shall be furnished by the Division and may be incorporated into the
16 restoration application form. Any material misrepresentation made by such person on such
17 certificate shall be grounds for suspension of that person's license for a period of 90 days.

18 For the purposes of this subsection, the term "nonfleet private passenger motor vehicle" has
19 the definition ascribed to it in Article 40 of General Statute Chapter 58.

20 The Commissioner may require that certificates required by this subsection be on a form
21 approved by the Commissioner. The financial responsibility required by this subsection shall be
22 kept in effect for not less than three years after the date that the license is restored. Failure to
23 maintain financial responsibility as required by this subsection shall be grounds for suspending
24 the restored driver's license for a period of thirty (30) days. Nothing in this subsection precludes
25 any person from showing proof of financial responsibility in any other manner authorized by
26 Articles 9A and 13 of this Chapter."

27 **SECTION 4.(b)** G.S. 20-19(k) reads as rewritten:

28 "(k) Before the Division restores a driver's license that has been suspended or revoked
29 under G.S. 20-138.5(d), or under any provision of this ~~Article, other than G.S. 20-24.1, Article,~~
30 the person seeking to have the person's driver's license restored shall submit to the Division proof
31 that the person has notified the person's insurance agent or company that the person is seeking
32 the restoration and that the person is financially responsible. Proof of financial responsibility
33 shall be in one of the following forms:

- 34 (1) A written certificate or electronically-transmitted facsimile thereof from any
35 insurance carrier duly authorized to do business in this State certifying that
36 there is in effect a nonfleet private passenger motor vehicle liability policy for
37 the benefit of the person required to furnish proof of financial responsibility.
38 The certificate or facsimile shall state the effective date and expiration date of
39 the nonfleet private passenger motor vehicle liability policy and shall state the
40 date that the certificate or facsimile is issued. The certificate or facsimile shall
41 remain effective proof of financial responsibility for a period of 30
42 consecutive days following the date the certificate or facsimile is issued but
43 shall not in and of itself constitute a binder or policy of insurance.
44 (2) A binder for or policy of nonfleet private passenger motor vehicle liability
45 insurance under which the applicant is insured, provided that the binder or
46 policy states the effective date and expiration date of the nonfleet private
47 passenger motor vehicle liability policy.

48 Subdivisions (1) and (2) of this subsection do not apply to applicants who do not own
49 currently registered motor vehicles and who do not operate nonfleet private passenger motor
50 vehicles that are owned by other persons and that are not insured under commercial motor vehicle
51 liability insurance policies. In such cases, the applicant shall sign a written certificate to that

effect. Such certificate shall be furnished by the Division and may be incorporated into the restoration application form. Any material misrepresentation made by such person on such certificate shall be grounds for suspension of that person's license for a period of 90 days.

For the purposes of this subsection, the term "nonfleet private passenger motor vehicle" has the definition ascribed to it in Article 40 of General Statute Chapter 58.

The Commissioner may require that certificates required by this subsection be on a form approved by the Commissioner. The financial responsibility required by this subsection shall be kept in effect for not less than three years after the date that the license is restored. Failure to maintain financial responsibility as required by this subsection shall be grounds for suspending the restored driver's license for a period of 30 days. Nothing in this subsection precludes any person from showing proof of financial responsibility in any other manner authorized by Articles 9A and 13 of this Chapter."

SECTION 4.(c) G.S. 20-28.1(a) reads as rewritten:

"(a) Upon receipt of notice of conviction of any person of a motor vehicle moving offense, such offense having been committed while such person's driving privilege was in a state of suspension or revocation, the Division shall revoke such person's driving privilege for an additional period of time as set forth in subsection (b) hereof. For purposes of this section a violation of ~~G.S. 20-7(a), 20-24.1, G.S. 20-7(a) or 20-28(a)~~ G.S. 20-28(a) or (a2) shall not be considered a "motor vehicle moving offense" unless the offense occurred in a commercial motor vehicle or the person held a commercial drivers license at the time of the offense."

SECTION 4.(d) G.S. 20-217(g2) reads as rewritten:

"(g2) Pursuant to G.S. 20-54, failure of a person to pay any fine or costs imposed pursuant to this section shall result in the Division withholding the registration renewal of a motor vehicle registered in that person's name. The clerk of superior court in the county in which the case was disposed shall notify the Division of any person who fails to pay a fine or costs imposed pursuant to this section within 40 days of the date specified in the court's ~~judgment, as required by G.S. 20-24.2(a)(2)-judgment.~~ The Division shall continue to withhold the registration renewal of a motor vehicle until the clerk of superior court notifies the Division that the person has satisfied the conditions of ~~G.S. 20-24.1(b)~~ applicable to the person's case. The provisions of this subsection shall be in addition to any other actions the Division may take to enforce the payment of any fine imposed pursuant to this section."

SECTION 4.(e) G.S. 110-142.2(f) reads as rewritten:

"(f) Upon receipt of certification under subsection (d) or (e) of this section, the Division of Motor Vehicles shall reinstate the license to operate a motor vehicle ~~in accordance with G.S. 20-24.1, upon payment of the restoration fee~~ and remove any restriction of the individual's motor vehicle registration."

AMEND EFFECTIVE DATE FOR S.L. 2015-186

SECTION 5. Section 7 of S.L. 2015-186, as amended by Section 86 of S.L. 2015-264, reads as rewritten:

"**SECTION 7.** This act becomes effective December 1, 2015, and applies to offenses committed ~~on or~~ before, or after that date. ~~Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.~~"

EFFECTIVE DATE

SECTION 6. Except as otherwise provided, this act becomes effective July 1, 2025.