

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 980
Apr 10, 2025
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40509-NEfa-16

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

Sponsors: Representative Chesser.

Referred to:

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

The General Assembly of North Carolina enacts:

**ELIMINATE GOVERNMENT'S AUTHORITY TO SUSPEND A DRIVERS LICENSE
FOR NONPAYMENT OF FINE, PENALTY, OR COST OR NONAPPEARANCE IN
COURT FOR MOTOR VEHICLE OFFENSES**

SECTION 1.(a) G.S. 20-24.1 is repealed.

SECTION 1.(b) G.S. 20-24.2 is repealed.

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.~~"

**REINSTATE SUSPENDED LICENSES WITHOUT ANY ACTION REQUIRED BY
LICENSE HOLDER; WAIVE ASSOCIATED FEES AND PROVIDE PEOPLE NOTICE
OF REINSTATEMENT**

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

"§ 20-24.3. Prohibition on revocation issued solely for failure to appear or pay fine, penalty, or costs.

Notwithstanding any other provision of law, the Division shall not revoke the drivers license of a person charged with or convicted of an infraction, misdemeanor, or felony if the revocation is solely for one or both of the following reasons: (i) the person failed to appear, after being notified to do so, when the case was called for a trial or hearing or (ii) the person failed to pay a fine, penalty, or court costs ordered by the court."

SECTION 2.(b) Within three months of the effective date of this section, the Division of Motor Vehicles (Division) shall terminate all suspensions of drivers licenses pursuant to G.S. 20-24.1 or G.S. 20-24.2 in effect prior to the effective date of this section. The Division shall waive all fees associated with reinstatement of a drivers license after a suspension based on



* D R H 4 0 5 0 9 - N E F A - 1 6 *

G.S. 20-24.1 or G.S. 20-24.2. If a person has no other suspensions pursuant to other sections, the drivers license shall be reinstated without any action required on the person's part.

SECTION 2.(c) Upon termination of suspensions pursuant to this section, 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 appear or 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 G.S. 20-24.1 or G.S. 20-24.2.

COLLECT DATA TO MONITOR IMPLEMENTATION AND MEASURE IMPACT

SECTION 3.(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 suspensions on account of failure to appear in court 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.
- (3) The total number of people whose licenses were reinstated, disaggregated by race, ethnicity, gender, and zip code of residence.
- (4) The total number and amount of fees, including reinstatement fees, that were waived.
- (5) The total amount of fines and fees related to a prosecution of Driving While License Revoked that were waived.

SECTION 3.(b) Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-24.4. Data collection.

No later than March 31, 2025, and annually thereafter, the Administrative Office of the Courts shall collect data and publish a report that provides data related to compliance, collections, and appearance rates in 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, ethnicity, gender, and zip code of residence. At a minimum, that report 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 resolved through alternative means, such as community service, in the preceding year.
- (4) The total amount of fines and fees waived in the preceding year.
- (5) The rate of nonappearance in court.
- (6) The rate of intentional evasion of prosecution in court."

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

SECTION 4. G.S. 20-28 is amended by adding a new subsection to read:

"(a4) As of October 1, 2025, any unpaid fines and fees assessed as a result of a charge pursuant to subsection (a) of this section are no longer enforceable or collectable if the only

underlying suspension or suspensions leading to the person's drivers license being revoked were pursuant to G.S. 20-24.1."

CONFORMING AMENDMENTS

SECTION 5.(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. The certificate or facsimile shall state the effective date and expiration date of the nonfleet private passenger motor vehicle liability policy and shall state the date that the certificate or facsimile is issued. The certificate or facsimile shall remain effective proof of financial responsibility for a period of 30 consecutive days following the date the certificate or facsimile is issued but shall not in and of itself constitute a binder or policy of insurance or
- (2) A binder for or policy of nonfleet private passenger motor vehicle liability insurance under which the applicant is insured, provided that the binder or policy states the effective date and expiration date of the nonfleet private passenger motor vehicle liability policy.

The preceding provisions of this subsection do not apply to applicants who do not own currently registered motor vehicles and who do not operate nonfleet private passenger motor vehicles that are owned by other persons and that are not insured under commercial motor vehicle 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 thirty (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 5.(b) G.S. 20-19(k) reads as rewritten:

"(k) Before the Division restores a driver's license that has been suspended or revoked under G.S. 20-138.5(d), or under any provision of this ~~Article, other than G.S. 20-24.1, Article,~~ the person seeking to have the person's driver's license restored shall submit to the Division proof that the person has notified the person's insurance agent or company that the person is seeking the restoration and that the person 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.

- 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 Subdivisions (1) and (2) 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 30 days. Nothing in this subsection precludes any
25 person from showing proof of financial responsibility in any other manner authorized by Articles
26 9A and 13 of this Chapter."

27 **SECTION 5.(c)** G.S. 20-28.1(a) reads as rewritten:

28 "(a) Upon receipt of notice of conviction of any person of a motor vehicle moving offense,
29 such offense having been committed while such person's driving privilege was in a state of
30 suspension or revocation, the Division shall revoke such person's driving privilege for an
31 additional period of time as set forth in subsection (b) hereof. For purposes of this section a
32 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
33 considered a "motor vehicle moving offense" unless the offense occurred in a commercial motor
34 vehicle or the person held a commercial drivers license at the time of the offense."

35 **SECTION 5.(d)** G.S. 20-217(g2) reads as rewritten:

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

46 **SECTION 5.(e)** G.S. 110-142.2(f) reads as rewritten:

47 "(f) Upon receipt of certification under subsection (d) or (e) of this section, the Division
48 of Motor Vehicles shall reinstate the license to operate a motor vehicle ~~in accordance with G.S.~~
49 ~~20-24.1, upon payment of the restoration fee~~ and remove any restriction of the individual's motor
50 vehicle registration."
51

FUNDS FOR TEXT REMINDER SYSTEM FOR COURT APPEARANCES

SECTION 6. Of the funds appropriated to the Administrative Office of the Courts for the 2025-2026 fiscal year, the sum of two hundred fifty thousand dollars (\$250,000) in recurring funds shall be used to implement a text reminder system of upcoming court appearances.

EFFECTIVE DATE

SECTION 7. Sections 1 through 5 of this act become effective October 1, 2025. Prosecutions for offenses based on revocations imposed pursuant to G.S. 20-24.1 and in effect prior to termination by the Division, as provided in Section 2(b) 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. Section 6 of this act becomes effective July 1, 2025. The remainder of this act is effective when it becomes law.