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Tech Brief

Driver's License Suspensions, Impacts, and Fairness Study

FHWA-NJ-2007-020

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INTRODUCTION AND BACKGROUND

At any given time, approximately 300,000 (less than 5 percent) of the licensed drivers in New Jersey have their driving privileges suspended. Suspensions occur for a variety of reasons, both driving and non-driving related. Some estimates indicate that fifty percent of people with suspended driver's licenses had their licenses suspended for reasons other than how safely they operate a vehicle. In addition, there is the perception that there has been a marked increase in suspensions, primarily for failing to pay fees, fines, surcharges, or other financial obligations rather than safe driving issues. Furthermore there is some evidence that it is more difficult for poorer drivers to pay the debt they owe to recover their driver's licenses. If the debt is not paid on time, additional interest and penalties accrue, resulting in a decreased likelihood that the debt will ever be paid and that the individual will regain their driver's license. There is a belief that this cycle may push poorer individuals out of jobs because many jobs are only accessible by personal automobile. Research is needed to analyze and assess patterns of license suspension in New Jersey and to investigate the impacts and fairness of New Jersey's driver's license suspension program.

RESEARCH OBJECTIVES AND APPROACH

The objectives of the study were to:

1. Document the extent and nature of driver's license suspension in New Jersey;
2. Determine the motor safety, financial, socio-economic, geographic and insurance impacts of license suspension; and
3. Examine methods for reducing or eliminating negative or unintended impacts of driver's license suspension.

The research program undertaken to achieve these objectives included a review of national literature, key informant interviews, an analysis of driver history data provided by the NJ Motor Vehicle Commission, a survey of state agency suspension practices, an inventory of restricted-use license programs used in other states, and a survey of suspended drivers in New Jersey.

FINDINGS

New Jersey has approximately six million licensed drivers. The vast majority of these drivers remain violation and suspension free throughout their driving years. Only a small percentage of drivers (five percent) have their driving privileges suspended or revoked at any given time. Forty three percent of New Jersey drivers reside in urban areas, while 38 percent live in suburban areas and 19 percent live in rural parts of the State. Most New Jersey drivers live in middle income areas. Only about 17 percent of all licensed drivers in the state live in lower income zip codes and 12 percent live in high income areas.

It does not appear that there has been an upward trend in the number of license suspensions being ordered or confirmed by the MVC. An analysis of time series data indicates that over the past ten years the number of suspensions has fluctuated but has remained relatively constant at approximately 800,000 +/- per year. This figure represents the total of individual suspension actions taken, not the number of drivers subject to those actions. For example, it is common for an individual driver to have several active suspension orders on his/her record at a given time. So, the number of suspended drivers at any given time is far less than the number of suspensions ordered or confirmed each year.

Driver's license suspension was originally conceived as a sanction used to punish "bad drivers." The logical nexus between driving behavior and sanction was clear. However, today in New Jersey, license suspensions are not just imposed to punish habitual bad driving. The reasons for driver's license suspension are diverse, complex and sometimes interrelated. Reasons include those that are clearly driving related (e.g., DUI, point accumulation, reckless driving, and driving while suspended); those that are clearly not driving related (e.g., compliance reasons such as failure to pay child support or failure to appear in court for a non-driving offense and suspensions imposed for drug-related offenses not involving the operation of a motor vehicle); and those that are for compliance reasons indirectly related to driving behavior or motor vehicle use. These include: failing to appear in court to pay/satisfy a parking ticket or moving violation; failing to maintain proper auto insurance; and failing to pay MVC insurance surcharges that stem from a driving related infraction.

Most suspended drivers (64 percent) have more than one active suspension. Less than six percent of all suspended drivers are suspended for purely driving-related reasons. The vast majority of drivers are suspended not for habitual "bad driving," but for a variety of compliance reasons stemming from one or more motor vehicle infraction, parking tickets, or failing to maintain proper insurance. Only a small percentage of drivers, less than five percent, are suspended for purely non-driving, non-motor vehicle related reasons. It is noteworthy that most suspended drivers (59 percent) have zero motor vehicle violation points. However, it should also be noted that some serious driving offenses, such as DUI and driving while suspended do not result in the assessment of motor vehicle points. Instead, in most cases, these violations carry substantial fines and mandatory suspension periods.

A detailed analysis of suspension statistics and survey data specific to New Jersey indicates that suspended drivers tend to be younger male drivers. Furthermore, a disproportionate number of suspended drivers reside in urban and low-income areas when compared to the distribution of all New Jersey licensed drivers. Although only 43 percent of New Jersey licensed drivers reside in urban areas, 63 percent of suspended drivers live there. At the same time only 16.5 percent of New Jersey licensed drivers reside in lower income zip codes, while 43 percent of all suspended drivers live there.

This may be due to a variety of reasons. For example, most parking infractions occur in urban areas because urban areas have more parking restrictions than suburban and rural areas. As such, urban residents have a greater chance of violating parking laws. Similarly, the street and highway network in urban areas is more dense, with higher levels of traffic, more intersections, stop signs, traffic lights, and slow speed zones than suburban and rural areas. Generally, there is also a greater law enforcement presence in urban communities. Consequently, there are more opportunities to violate traffic laws and urban residents may be at greater risk of being observed violating traffic laws. Finally and perhaps most importantly, low income residents are more concentrated in the state's urban areas. This population may be less able to pay fines, fees and surcharges given their more limited financial resources.

The obvious and most direct impact of license suspension is loss of personal mobility. However, suspension may also have collateral and/or unintended consequences such as job loss, difficulty in finding employment, and reduced income. Consequences can also include other financial impacts, such as increased insurance premiums and other costs associated with suspension; as well as psychological and social impacts such as loss of freedom, increased stress, and family strain. In addition, suspension can also have broader economic and societal impacts such as limiting the labor force for specific industries such as automobile sales and services, home health care aides and the construction trades. Jobs in each of these industries depend on semi-skilled workers with a valid driver's license. In addition, many employers use possession of a valid driver's license as a pre-qualifying "screening" question. This may unnecessarily limit the available labor force when driving a motor vehicle is not integral to job responsibilities.

Although not available in New Jersey, conditional or restricted-use driver's licenses are available in 39 states and the District of Columbia. These licenses allow some or all suspended/revoked drivers to receive limited driving privileges during the time they are suspended. Program eligibility varies widely from state to state. Some states offer restricted-use licenses to drivers suspended for compliance reasons, but most states limit the use of restricted-use licenses to drivers with time delimited suspensions, such as those imposed for a first time DUI offense, for point accumulation and for other traffic violations after a specified minimum period of suspension is served. Most often, the waiting period ranges from 30 to 90 days, although a few states require all conditional license applicants to serve half of their suspension/revocation period prior to being considered eligible for the license.

In most states, conditional or restricted-use licenses are not available to drivers suspended/revoked for multiple DUI offenses, negligent vehicular homicide, or habitual offenders. Furthermore, in most states, drivers suspended for compliance reasons are not eligible. Permitted travel and associated restrictions related to conditional use licenses also vary by state. Penalties for violating program restrictions most typically involve the cancellation of the restricted-use license and reinstatement of the original suspension or revocation. Some states also extend the original suspension/revocation period, between several months to double the original period.

CONCLUSIONS AND RECOMMENDATIONS

It is clear from this study that license suspension in New Jersey is widely used as a punishment, a deterrent and as a means to compel appearance in court and/or payment of various fines, fees, and other financial obligations. It also appears that in some circumstances, license suspension or the threat of suspension can be effective in achieving these purposes. For example, the Parking Offenses Adjudication Act (POAA) which allows license suspension when a driver fails to appear in court to satisfy a parking summons has been very effective in reducing the number of outstanding parking tickets pending over 60 days. In 1990, there were almost 4.4 million parking tickets that remained unpaid longer than two months. That number dropped precipitously through the 1990's after the law took effect and as more municipal court systems became automated. In 2004, the number of parking tickets pending over 60 days was less than 400,000.

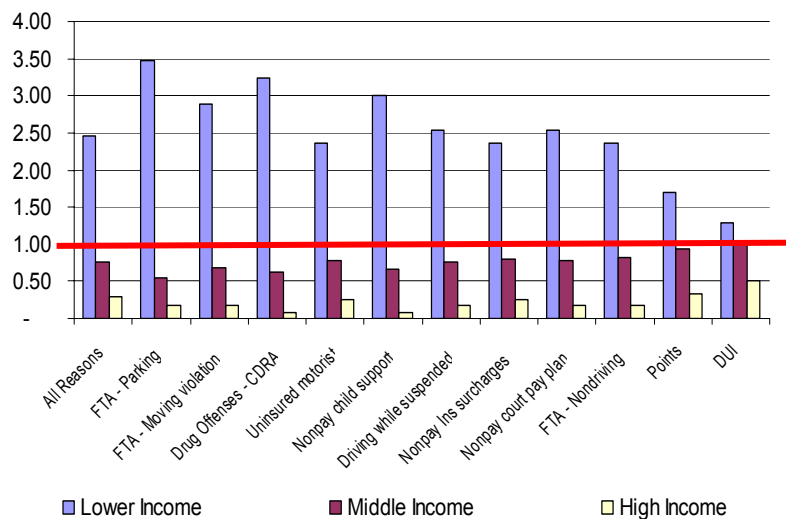


Figure 1. Proportion of suspended drivers to licensed drivers by reason and area type – Income (May 2004)

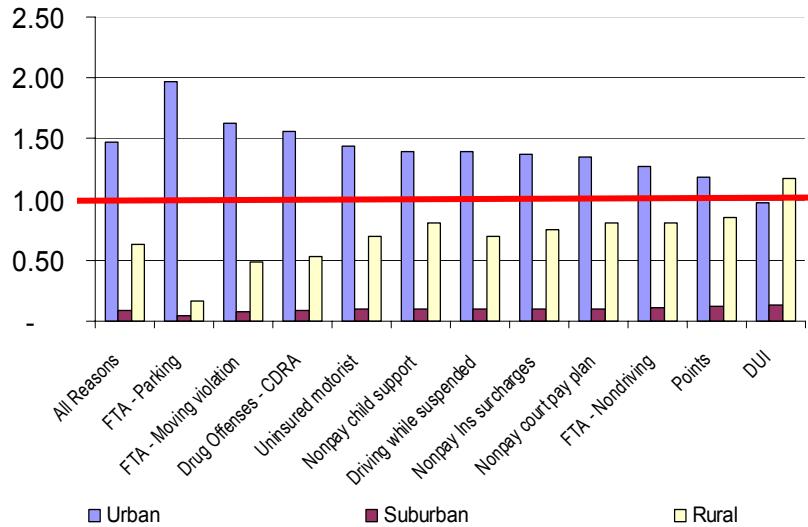


Figure 2. Proportion of suspended drivers to licensed drivers by reason and area type – Population Density (May 2004)

Suspension patterns indicate that certain segments of the licensed driver population are more likely to be suspended than others. For all reasons, except suspensions for DUI and accumulation of motor vehicle points, drivers residing in urban and lower income zip codes are overrepresented (see figures 1 & 2). Suspension rates among male drivers residing in lower income areas are consistently the highest (see table 1).

Table 1 - Suspension rates by area type and income class (May 2004)

	Suspension Rates ¹		
	Male	Female	Total
Statewide	7%	3%	5%
By Population Density ²			
Urban (>800 p/sq mi)	10%	4%	7%
Suburban (200-800 p/sq mi)	4%	2%	3%
Rural (<200 p/sq mi)	4%	2%	3%
Unknown *			
By HH Income Class ³			
High (>\$85,000)	2%	1%	1%
Middle High (\$65,001 - \$85,000)	3%	1%	2%
Middle (\$40,001 - \$65,000)	6%	3%	4%
Low (\$20,000 - \$40,000)	16%	7%	12%
Low-Low(<\$20,000)	35%	14%	24%

Notes: 1 – Suspension rates were calculated by dividing the number of suspended drivers by the number of licensed drivers in each zip code. The rates reported in this table represent the ratio of suspended drivers to licensed drivers;
 2- density calculation based on zip code data from 2000 US Census;
 3 - income classifications based on zip code data from 2000 US Census;

Special Note: 1,788 records could not be matched to zip code reference file

Although the impacts of license suspension may vary by individual driver, the social implications of New Jersey suspension patterns should be of concern. Low-income urban residents face many challenges, not the least of which is obtaining and retaining a job and meeting basic family financial needs. Given the decentralization of employment opportunities over the past forty years in the state, the only viable means of transportation to work for many may be by private automobile. Having their driving privileges suspended can be a significant additional impediment to gainful employment.

Unfortunately, programs and interventions used in other states to address the potential collateral impacts of license suspension (especially economic impacts related to loss of employment) appear mostly limited to flexible fine/fee payment options, payment amnesty programs and the use of restricted-use licenses. Despite this limited menu of options, there appear to be areas of possible reform in New Jersey.

First, the New Jersey legislature should reexamine the purpose and need for the MVC insurance surcharge program. In 1983, the legislature enacted the New Jersey Merit Rating Plan (N.J.S.A. 17:29 A-35), which required MVC to assess “insurance” surcharges based on certain motor vehicle offenses. When enacted in 1983, the original purpose of the NJ Merit Rating Plan insurance surcharges was to provide revenue for the New Jersey Automobile Full Insurance Underwriting Association (a.k.a. - Joint Underwriters Association or JUA) to fund medical expenses from uninsured motorists. The original bonds issued to support the JUA have since been retired and the revenue stream has been earmarked to pay down other state debt.

New Jersey is one of only four states in the Nation with such a surcharge program. The other states include New York, Texas, and Michigan. Almost one-third of all suspension orders annually by MVC (28 percent or 228,000 orders) are for failure to pay insurance surcharges. Given the volume of suspensions for this reason and the fact that the greatest burden of surcharge suspensions fall on low-income drivers – almost 40 percent of drivers suspended for failure to pay insurance surcharges reside in low income zip codes, it is appropriate to weigh the proportionally high impact of surcharge suspensions on low-income drivers against the benefit of the program. Currently, the only public purpose for the program appears to be to provide an alternative revenue stream for the state.

Second, the legislature and administrative office of the courts should examine the fairness of POAA suspensions. Although extremely effective in reducing the number of parking scofflaws, currently, more than 60 percent of POAA suspensions are ordered against drivers residing in low income zip codes. A review of state statutes related to repayment of court fines/fees and license restoration fees indicates that the courts and MVC have only limited discretion to establish payment plans. Current statutory requirements limit the courts' ability to provide flexible payment plans and options that fit the unique circumstances of each driver's situation. Changes to these requirements could be an important way to both ensure repayment of fees/fines as well as allow driver's to retain their driving privileges.

Third, efforts should be undertaken to address issues that contribute to license suspensions for failing to maintain proper insurance (e.g., the high cost of insurance in New Jersey, especially for drivers residing in urban areas). Currently, approximately 40 percent of license suspensions for failing to maintain proper insurance are ordered against drivers residing in low-income zip codes. In addition, the state should consider regulating/limiting insurance premium increases that are based solely on license suspensions for non-driving reasons.

Finally, New Jersey lawmakers should consider creating a restricted-use license program for at least certain suspended drivers (e.g., those suspended for financial reasons) under certain circumstances (e.g., to travel to/from work). Such a program could be a means to address the unintended consequences of suspension, especially employment and economic effects. As is the case in other jurisdictions, the benefits of such a program will need to be weighed against potentially diminishing the deterrent or coercive effects of suspension. However, it is noteworthy that 39 states and the District of Columbia have such programs and state officials view them as effective.

FOR MORE INFORMATION CONTACT:	
NJDOT Project Manager:	Edward S. Kondrath
Phone:	609-530-2058
Email Address:	ed.kondrath@dot.state.nj.us
University Principal Investigator:	Jon A. Carnegie, AICP/PP
University:	Alan M. Voorhees Transportation Center Rutgers, The State University of New Jersey
Phone:	732-932-6812 ext. 606
Email Address:	carnegie@rutgers.edu

A final report is available online at: <http://www.state.nj.us/transportation/refdata/research/>

If you would like a copy of the full report, please FAX the NJDOT, Bureau of Research, Technology Transfer Group at (609) 530-3722 or send an e-mail to Research.Bureau@dot.state.nj.us and ask for:

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