



Kansas Legislative Research Department

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To: 2023 Special Committee on Restricted Driving Privileges

From: Eric Adell, Research Analyst

Re: State Statutes and Legislation Establishing Payment Plans for Debts Related to License Suspension and Revocation

This memorandum provides a review of state statutes and legislation pertaining to the establishment of payment plans for debts related to license suspension and revocation.

Currently, Kansas does not have any statutory directives requiring Kansas courts to establish payment plans; however, KSA 8-2110, which establishes procedures for suspension of driving privileges for failure to comply with a traffic citation, permits courts to modify the methods of payment of fines, fees, and court costs associated with traffic citations and license reinstatement.

Statutes and legislation of other states pertaining to payment plans for traffic-related debts are provided below.

Alabama

SB 154, enacted in 2023, specifies if a court's order permits payment plans, the court is prohibited from suspending driving privileges for failure to pay a fine, fee, or court cost associated with a traffic violation unless the individual fails to make three or more payments.

Florida

Florida law requires courts to enter into payment plans if an individual is determined to be indigent; HB 397 was enacted in 2022, added the following limitations:

- Limits monthly payment amounts on all debts combined to the greater of:
 - Two percent of the person's annual net income; or
 - Twenty-five dollars; and
- Limits down payments to establish a payment plan to the lesser of:
 - Ten percent of the total amount owed; or
 - One hundred dollars.

The new Florida law also requires the licensing agency to work with court clerks to ensure court technology systems can be used to reinstate suspended driver licenses upon compliance.

Indiana

Indiana law requires courts to permit individuals owing traffic debts to apply to be placed on an installment plan. Under Indiana law:

- Courts have discretion to allow installment agreements and to set terms; and
- Suspension of driving privileges occurs if an individual defaults on the payment plan until they are back in compliance.

Louisiana

Louisiana law requires the licensing agency to enter into installment plans for payment of outstanding traffic fines and penalties with any individual who:

- Owes \$250 or more in fines or penalties;
- Has satisfied all other conditions for reinstatement of their driver's license;
- Requests the installment plan within an allotted time frame;
- Signs a written agreement with the agency; and
- Waives any right to judicial or administrative review of the final sum.

The law requires installment plans to have a set final amount due with payments in equal monthly installments on a scale determined by the total amount due.

Under such payment agreements, failure to pay on time per the agreement can cause the whole amount to come due. The driver then has 60 days to pay or request the agreement be reinstated and for the licensing agency to grant a 60-day suspension of payments for good cause. Failure to pay or request the agreement be reinstated results in suspension of the driver's license.

Oklahoma

HB 3925 was enacted in 2023 and requires courts to establish 72-month payment plans for defendants who cannot immediately pay fines and penalties. The law also:

- Requires courts to make a determination of the defendant's ability to pay at the time of sentencing;
- Permits defendants to request a cost hearing for the court to determine the ability to pay and request modification of the installment plan or reduction or waiver of amount owed;

- Permits courts to imprison or suspend licenses of individuals determined to be able to pay but unwilling to pay;
- Establishes a court cost compliance program in which all counties are required to participate and which:
 - Clarifies county participation with third-party collections agents; and
 - Requires courts to recall failure-to-pay warrants if the offender makes a \$100 down payment and agrees to a monthly payment plan with the collection agent; and
- Creates a Cost Administration Implementation Committee within the judicial branch to oversee the implementation of the bill and make recommendations to the Oklahoma Legislature for any changes it deems necessary and appropriate for the administration of court fines, fees, costs, and assessments.

Montana

Montana law provides discretion to courts to order payment plans for traffic citations. The law prohibits driver's license suspension and requires restoration of driving privileges if the individual:

- Can provide proof of insurance;
- Agrees to a payment plan; and
- Does not default on the payment plan.

In case of default, the law requires that the individual's license be suspended until they are back in compliance.

Maryland

Maryland law authorizes courts to approve installment plan agreements for the payment of citations or fines imposed at a hearing or trial. Under the law, such payment plans:

- Constitute compliance with a traffic citation;
- May be established if the total amount of fines is \$150 or more; and
- Do not require minimum monthly payments.

New York

New York law requires courts to offer payment plans for traffic citations. Under the law, payment plans must provide monthly payments not exceeding 2.0 percent of the individual's monthly net income or \$10 per month, whichever is larger.

The law also requires notification of right to a payment plan be provided:

- At the time a citation is issued;
- At the time of sentencing; and
- In any communication concerning collection of fines and fees.

Tennessee

Tennessee law requires courts to offer payment plans based on income and ability to pay to anyone who requests one or is required to enter into one. The law also:

- Requires courts to permit modifications upon request, based on changes in financial circumstances or upon good cause;
- Provides for an appeal process for modification denials;
- Permits courts to order suspension upon 30 days after notice of default or failure to adhere to the payment plan if the person does not come into compliance; and
- Permits issuance of a restricted drivers license upon non-compliance with the payment plan if the person would otherwise be eligible for a drivers license.

West Virginia

West Virginia law requires court clerks to establish payment plans for drivers convicted of failure to respond or appear when charged with a traffic citation.

The law also requires that courts:

- Implement a uniform payment plan; and
- Utilize a uniform financial affidavit for payment plan requests.

Under West Virginia law, such repayment plans must:

- Include the number and schedule of payments;
- Set monthly payments based on the greater of \$10 or 1/12th of the person's net annual income; and
- Be subject to modification or waiver by the court.