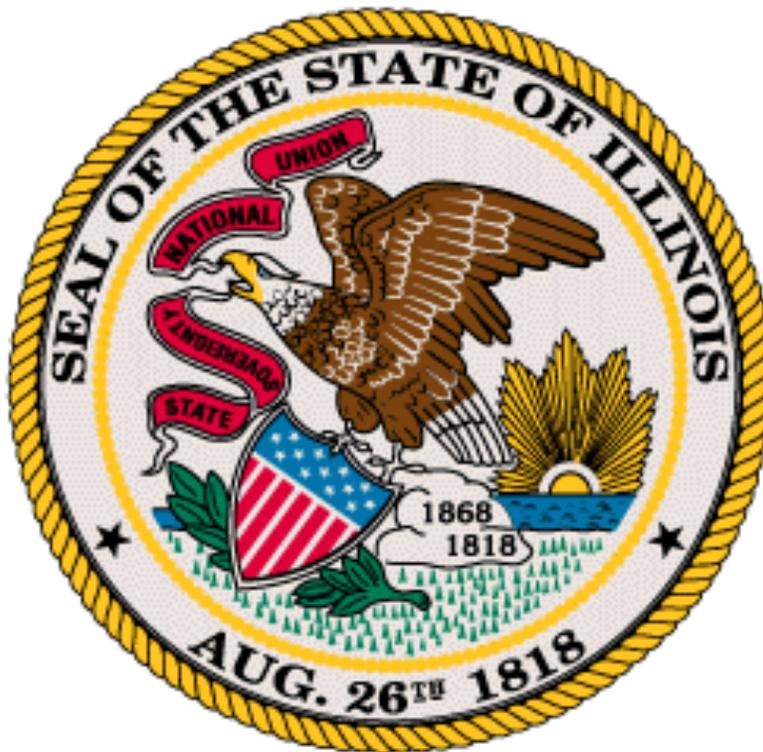


Illinois Driver's License Reinstatement Fee Payment Plan Report

December 6, 2016



About the information in this report

The contents of this report reflect the need and feasibility of the Secretary of State's Office implementing a driver's license reinstatement fee payment program, as tasked by Senate Resolution 1491.

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1. Purpose and Enacting Legislation

The Secretary of State's office was tasked with conducting a study concerning the need and feasibility of a driver's license reinstatement fee payment program, as set forth by Senate Resolution 1491 (Sen. Stadelman). The goal of this program is to allow individuals who only have reinstatement fees preventing them from receiving their driver's licenses, being allowed to pay a down payment and pay a monthly percentage until the fees are fully paid. The Secretary of State's office is to study established programs in states including South Carolina, Ohio, and Tennessee as potential structures for a program in Illinois. A report with these findings is to be submitted to the Chairs of the Illinois Senate Transportation Committee and the Illinois House of Representatives Transportation: Vehicles & Safety Committee, by December 31, 2016

2. The Need for a Payment Plan in Illinois

In Illinois, there are numerous actions that could lead to a suspended driver's license and while many of these are driving related, several actions are unrelated to traffic safety. As of January 2016, the Secretary of State's office recorded approximately 2.6 million actions on Illinois driving records that required a reinstatement fee. These actions impact more than 1.5 million drivers, since multiple actions may be assigned to a driver. The Secretary of State's office also determined that just over 1 million actions include a reinstatement fee of \$250 or more. Undoubtedly, a reasonable need for a payment plan option may exist for a portion of drivers who have not yet paid their reinstatement fees. However, as with any program that our office institutes, we must carefully consider a cost-benefit analysis that takes into account the resources of the office and level of service provided.

3. Models of Payment Plans

Ohio, South Carolina, Louisiana and Tennessee have all instituted measures for allowing payment plans for certain types of reinstatement fees. Each state offers a unique approach to their plan:

A. Ohio

Beginning July 2013, Ohio offered a payment plan for non-dangerous drivers. For these types of revocations/suspensions, the driver must owe at least \$150 in reinstatement fees and have met other requirements such as paying fines and fees to the courts and insurance companies. They must also show proof of insurance before being eligible. Payments are set up with \$50 up front and \$50/monthly increments until the full reinstatement fee is satisfied. Out of approximately 1 million suspended drivers in Ohio, 35,782 people were enrolled into the program and 4,192 have paid their full reinstatement fee, as of May 2015.

B. South Carolina

Beginning January 1, 2011, the South Carolina Department of Motor Vehicles offered a payment program for non-dangerous drivers. For these types of revocations/suspensions, the driver must have met all conditions for reinstatement except for paying the reinstatement fee. Other criteria for enrollment includes not having participated in the payment program within the last 36 months and having a minimum reinstatement fee of \$300. If eligible, the driver is granted a “six-month driver’s license” and allowed a six-month period to complete the program. The minimum payment accepted is \$50 (unless it is a final payment) and the full fee must be satisfied in the six-month period, otherwise the “six-month driver’s license” will expire and cannot be renewed. If the driver successfully completes the program, they can then obtain a regular driver’s license at a Department of Motor Vehicles location.

C. Louisiana

Beginning June 2016, the Louisiana Office of Motor Vehicles offered a payment program for drivers who have fines from lapsed insurance coverage. For these types of revocations/suspensions, the driver must provide proof of insurance and may then be eligible to enroll in one of the following 6 payment plans:

- Up to \$250 = 6 payments
- \$251-\$750 = 12 payments
- \$751-\$1500 = 24 payments
- \$1501-\$2500 = 36 payments
- \$2501-\$4999 = 48 payments
- \$5000 or more = 60 payment

For credit card payments, there is a 2.5% fee plus \$3.00 added to every payment. For bank transfers there is a \$1.00 fee plus \$3.00 added to every payment. If payments are not made each month, you are given 60 days to make the payment or request approval to enter a new agreement. If neither option is satisfied, the driver's license is suspended and all outstanding debt is returned to the Office of Debt Recovery and subject to a 25% charge on the full balance.

D. Tennessee

Beginning around 2006, the Department of Safety and Homeland Security has accepted payments of certain reinstatement fees by installments. To be eligible, the driver must owe more than \$200 in reinstatement fees and satisfy other requirements. The driver must place a down payment of \$200, pay a \$25 administrative fee, and then make a payment each quarter (every 3 months) of at least \$300 until the remaining balance is paid. The balance must be paid in full within 2 years. Failure to make payments will result in the driver being suspended/revoked again, and the remaining balance will need to be paid before they can be reinstated. For fiscal year 2015-2016, Tennessee saw 353,500 suspended drivers and 495 were enrolled into their payment installment program.

4. Eligibility

The Secretary of State's office remains committed to enhancing traffic safety and preserving the integrity of Illinois roadways. Therefore, a set of criteria would need to be established by the office and met by the applicant before allowing participation in the program. For instance, an applicant should provide proof of auto insurance, associated fines and court costs should be satisfied in full, and it may be determined that some types of suspensions would not be eligible. Finally, our office would need to further determine a minimum threshold that the fine must reach before being eligible for a payment plan.

5. Programming Requirements

The programming required to implement a payment plan option in Illinois would be substantial. Once a determination has been made on eligibility, our office would need to resolve the following:

- If a down payment is a set amount or a percentage of the fine.
- How long a person would be allowed to pay monthly fees before satisfying the total balance.
- Action to be taken if payments are below the minimum amount, not made on time, or not made at all.
- How the fees will be distributed to various funds.
- Action to be taken if a driver becomes suspended, while enrolled in the program.
- Some current suspensions remain an "active stop" until reinstatement fees are paid in full – this would require programming to remove the stop while payments are made.

- Major programming to include new fields on driving records including payment amount, balance remaining and payoff date.
- New validation codes would be required to process the down payment, partial payments, and final payment.

6. Feasibility of Implementation

The Secretary of State's office acknowledges the reinstatement fee payment programs that are currently in place in Ohio, South Carolina, Louisiana, and Tennessee. Our office also acknowledges that there could be a reasonable need for a payment plan option for a portion of affected drivers in Illinois. However, in the case of Ohio, our office also notes that of the approximately 1 million suspended drivers, just 35,782 enrolled in the program. Of those enrolled, just 4,192 paid their full reinstatement fee by May 2015, which is less than half of a percent. Also in Tennessee, of the approximately 353,500 suspended drivers, just 495 enrolled in their installment program, which is less than a quarter of a percent.

While a payment plan option could certainly benefit a portion of the driving population, our office has to consider the overall cost in terms of manpower, programming, financial and physical burden. The Secretary of State's office does not have the available staffing to manually oversee the number of drivers who would be making partial payments. The required programming, which would allow partial payment information as part of the driving record and distributing partial payments to the appropriate funds would be extensive and have a significant impact on the Secretary of State's office.

Furthermore, as of July 2014, my office completed an internet reinstatement fee program, which has streamlined our operation and moved approximately 60% of our processed reinstatement fees online. This program offers the ability for a person to pay single, or multiple, reinstatement fees with a credit card online, which allows them to satisfy a

“payment plan” by making monthly payments to their personal credit card. Additionally, my office accepts credit card payments at Driver Services facilities either in person or by phone. When considering the overall cost to the driver, there are too many variables to accurately compare the cost of a personal credit card opposed to a payment plan option, with associated fees, similar to what other states are utilizing.

The payment plan options that other states are utilizing also differ slightly in regard to the eligibility requirements, method of payments and in the case of South Carolina, the use of a temporary driver’s license in place of the actual driver’s license. Therefore, it is determined at this time that a driver’s license reinstatement fee payment plan is not feasible for Illinois. However, my office will continue to monitor the progress of current programs and new programs that may be implemented in the future.

Respectfully Submitted,

The Office of the Secretary of State, December 6, 2016