To: Members of the Ohio Senate Judiciary Committee

From: Americans for Tax Reform Re: Testimony in Support of SB 37

Chair Manning, Vice Chair Reynolds, Ranking Member Hicks Hudson, and Members of the Committee,

My name is Doug Kellogg, I am State Projects Director for Americans for Tax Reform (ATR).

On behalf of our supporters across Ohio, I offer this testimony in support of Senate Bill 37 (SB 37). This proven reform would boost Ohio's economy and workforce by fixing the counterproductive practice of suspending driver's licenses as a punishment for owing court debt.

It is commonsense that making it more difficult for people to get to work and earn a living makes it more difficult for them to pay off a court debt. Yet, when courts use license suspensions to try to force payment of court debt, this is the exact situation they are creating.

Worse, if someone whose license is suspended risks driving, they are committing another more serious offense that adds to their record and makes it more difficult for them to get back to work. This cycle does not serve public safety, can make it less likely courts collect the debt, while adding costs for taxpayers and the economy when someone who otherwise would be productive faces multiple barriers to work. These challenges are even more significant for rural residents who must drive to get anywhere.

We are still learning more about how ineffective license suspension is in motivating and enabling people to pay their debt. The information we have shows it is very inefficient.

New Mexico and Texas counties spent an average of 41% of each dollar they collected on hearings and jail costs. One New Mexico county was in the red, spending more than it collected, NYU's Brennan Center <u>found</u>. An Oklahoma County judge stated that only <u>5% to 11%</u> of court debt is collected. There are administrative costs as well, including government employee time and correspondence to request payments.

A <u>recent report</u> focused on one state, Florida, found much higher than average insurance costs, and lost economic activity, from the significant number of licenses the state suspends.

The workforce shortages states are experiencing are highlighting yet another painful consequence of license suspension. Being able to work effectively is not just good for the person missing their license, it is good for industry, small businesses, and consumers.

One major and obvious example is trucking, as the U.S. is short more than <u>80,000 truck drivers</u>. Further, "In January there were <u>5.1 million more positions</u> available than people to fill them, according to researchers at the St. Louis Fed," <u>Bloomberg</u> reports.

This workforce problem is being felt in the Buckeye State where, "Ohio has only 79 people available to fill every 100 open jobs," according to the Chamber of Commerce.

It is no wonder why more than half the states have made similar reforms to those in SB 37.

When it comes to the criminal justice system, public safety must come first, and people who have committed infractions that show they are a danger on the road should absolutely have their driver's license taken away. But for those who the system is pushing to pay their debt, it is best for them and the community to have them work, contribute, and pay what they owe.

For these reasons, ATR strongly urges you to support and pass SB 37. If you have any questions, or we can be of further assistance, please do not hesitate to contact me at 202-785-0266, or dkellog@@atr.org.

Thank you.