
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 366 (Petrie-Norris) - Ignition interlock devices

Version: July 16, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: PUB. S. 6 - 0

Mandate: Yes

Consultant: Liah Burnley

Bill Summary: AB 366 requires anyone convicted of driving under the influence to install an ignition interlock device (IID) on every vehicle they operate.

Fiscal Impact: The Department of Motor Vehicles (DMV) reports that it cannot complete the necessary programming by the January 1, 2026, operative date in this bill. Implementing an all-offender IID mandate or similar enhancements under the existing system would require developing a separate application on a Platform-as-a-Service (PaaS) solution, with short-term costs preliminarily estimated at over \$15 million—funding that would have to come from the already strained Motor Vehicle Account (MVA), which is projected to become insolvent.

DMV further notes that, if the bill's implementation were tied to the completion of DMV's ongoing IT modernization efforts, it would require significantly fewer resources and avoid duplicating work by integrating the expansion into existing systems rather than developing a separate, standalone platform. This approach would still require going through the California Department of Technology's Project Approval Lifecycle (PAL)—an 18-month process—and securing additional IT resources and staff, with costs likely in the low millions depending on the final system design.

According to the Legislative Analyst's Office (LAO), the MVA—the main funding source for the DMV—is expected to fully exhaust its reserves and become insolvent in fiscal year 2025-26. The LAO further warns that the MVA, absent corrective action, such as revenue increases or spending reductions, will experience a negative fund balance of \$1.4 billion in fiscal year 2028-29.

In the 2025-26 May Revision, the Governor notes, "Given the ongoing fiscal constraints in the MVA, the Administration will continue to prioritize fiscal discipline. This means limiting new workload or initiatives including those with delayed implementation dates that would create additional cost pressures over time. By focusing on core operational priorities, the DMV can serve Californians while staying within available MVA resources."

Background: According to the 2022 annual report to the Legislature on DUIs published by the DMV in 2023, in 2020 there were close to 96,000 DUI arrests in California. In 2019, there were roughly 88,000 DUI convictions. Among convicted DUI offenders arrested in 2019, 72.8% were first time offenders and 27.2% were repeat offenders. 5.6% of DUI convictions among those arrested in 2019 were driving under the influence of drugs. The most frequently imposed court sanction for all convicted DUI offenders in 2019 was probation (95.9%). The least frequently imposed court sanction was an IID (15.9%). Seventy four percent of people convicted are sentenced to some

jail time, and among first DUI offenders arrested in 2019, 66.3% has some jail time imposed as a sanction. Ninety-one percent of all people convicted of DUI are ordered to complete a state-approved DUI education program. Of the 64,122 first time DUI offenders convicted in 2019, 13,349 installed an IID either by court order or voluntarily.

The DMV is currently operating a statewide IID pilot program for all repeat DUI offenders and all injury-involved driving under the influence (DUI) offenders. Under the pilot program, a court may order a defendant convicted of their first DUI offense to install an IID on their vehicle for up to six months and prohibit them from operating a vehicle without an IID. If a defendant is convicted of a second or subsequent DUI offense, the court is required to order the defendant to install an IID in their vehicle. The length of required IID installation depends on how many prior DUI convictions a defendant has and how serious the offenses are. The pilot program is set to expire on January 1, 2026.

Making IIDs mandatory for first-time DUI offenders is a well-intentioned policy aimed at reducing drunk driving incidents. However, while this bill appears to promote public safety, a closer analysis reveals that it can be a harmful policy in several ways.

The annual cost of having a device is typically \$1,000 or more. That has created a lucrative industry. Smart Start, based in Texas, estimated its interlock revenue last year at \$150 million — nearly double its revenue from four years ago — according to its chief executive. Dräger, a German company that is among the leading manufacturers of breathalyzer machines, now makes twice as much money from interlocks in the United States as it does from its traditional breath-test business. Private equity firms looking to cash in have bought several interlock makers, including Smart Start, and are circling others. The IID industry has grown significantly in recent years as many states have adopted IID mandates for all DUI offenses with support from manufacturers.

Mandating IIDs for first-time DUIs in California will significantly increase the demand for this technology. Based on the figures noted above in the most recently available DMV report, IID providers can expect to have about 50,000 more mandated users. The cost of installing an IID in California is \$99-\$116 a month. The fees associated with an IID include not only payment of the costs of the certified IID device, but also the administration of the program, installation of the device, service, maintenance, and recalibration of the device every 60 days, and any other costs associated with the device. Moreover, IIDs are required to be installed on every vehicle an offender operates, including vehicles to which they may have access. The costs of an IID would double in any household with two people and two cars.

This is a hefty financial burden for a significant number of Californian's. For wealthier individuals, these fees might be manageable. However, for low-income or working-class individuals, especially those living paycheck-to-paycheck, this can be financially devastating. This bill effectively creates a two-tiered justice system: wealthier offenders can continue driving with minor inconvenience, while poorer offenders may be forced to give up driving altogether due to unaffordable costs, despite having been convicted for the same conduct. Meanwhile, IID manufacturers will profit.

The debt trap this bill would create deserves careful scrutiny, especially considering the overwhelming problems reported with IIDs, and the fact that there is no regulation of the

IID industry in this state. For example, it is a known fact that IID produce false positive readings, can lead to electrical issues, such as draining a cars battery, and result in distracted driving. While this bill would require IID manufacturers to somewhat modify their fee schedule for the IID based on the defendant's income, there is nothing preventing manufacturers from ratcheting up the general price of IIDs and installation, to offset the loss, which will impact affordability for all users.

If using an IID becomes cost prohibitive, some individuals may choose to drive illegally without a license, insurance, or with a borrowed car that does not have an IID installed. This bill could undermining its original goal of improving road safety. Further, research shows that not all first-time DUIs carry the same risk of recidivism. First-time DUIs include many non-habitual drinkers who made a one-time poor decision, often with a blood alcohol content close to the legal limit (e.g., 0.08–0.10%). This bill would enact one-size-fits-all sanction that can be unnecessarily burdensome for low-risk individuals who are unlikely to reoffend. Making IIDs mandatory for all first-time offenders ignores this reality at a significant cost.

There are also noteworthy consumer protection and privacy concerns associated with IIDs. Several class action lawsuits have been filed against IID providers, primarily focusing on alleged violations of the Consumer Leasing Act (CLA) and privacy concerns. These lawsuits claim that IID lease agreements fail to provide clear and accurate financial disclosures, and that some providers illegally track and record user data. For example, Intoxalock has agreed to pay more than \$1.7 million to settle a class action that claimed it illegally recorded telephone calls without consumers' consent. (*Haggerty et al. v. Consumer Safety Technology, LLC* (2022).) In *Kemp v. Low Cost Interlock, Inc.*, 2020 WL 6107070 (C.D. Cal. Oct. 9, 2020), the IID company offered ignition interlock lease agreements to consumers that contained improper disclosures under the Consumer Leasing Act. The Minnesota Department of Public Safety and three manufacturers of ignition interlock systems were sued by plaintiffs alleging that that IID systems had GPS tracking capabilities that they did not agree to. In 2023, a class action alleged that SkyFine USA violated federal law in that its IID lease agreements fail to clearly provide consumers with certain disclosures.

Proposed Law:

- Eliminates judicial discretion to determine if a person convicted of a first-time DUI must install an IID, and instead requires all first-time DUI offenders to install an IID for up to six months on every vehicle they operate.
- Makes the following provisions of the IID pilot program which orders the installation of IIDs for repeat DUI offenders and DUIs causing bodily injury permanent:
 - For a period of one year for a person convicted of a DUI with one prior, or a first-time DUI causing bodily injury to another person;
 - For a period of two years for a person convicted of a DUI with two priors, or a DUI causing bodily injury to another person with one prior; and,
 - For a period of three years for a person convicted of a DUI with three or more priors, a DUI causing bodily injury to another person with two priors,

or a prior specified DUI conviction punishable as a felony.

- Provides that the fees associated with an IID include not only payment of the costs of the certified IID device, but also the administration of the program, installation of the device, service, maintenance, and recalibration of the device every 60 days, and any other costs associated with the device.
- Requires IID manufacturers to modify the fee schedule under which the manufacturer will absorb part of the costs for the IID based on the defendant's income, relative to the federal poverty level as follows:
 - A person with an income at 125% of the federal poverty level or below (rather than the current 100%) is responsible for 10% of the costs associated with the IID, and the IID provider is responsible for absorbing the cost that is not paid by the person.
 - A person with an income at 126 to 225%, inclusive, of the federal poverty level (rather than the current 101 to 200%) is responsible for 25% of the costs associated with the IID, and the IID provider is responsible for absorbing the cost of the IID that is not paid by the person.
 - A person with an income at 226 to 325%, inclusive, of the federal poverty level (rather than the current 201 to 300%) is responsible for 50% of the costs associated with the IID, and the IID provider is responsible for absorbing the cost of the IID that is not paid by the person.
 - A person with an income at 326 to 425%, inclusive, of the federal poverty level (rather than the current 301 to 400%) and who provides income verification, as specified, is responsible for 90% of the costs associated with the IID, and any additional costs accrued by the person for noncompliance with program requirements.
 - All other persons are responsible for 100% of the costs associated with the IID.
- Allows an individual to apply to the IID manufacturer for reduced costs and shall be credited for any previously paid costs that were in excess of the fee schedule at any point during which the device is installed and in use. An individual shall also be permitted to apply for reduced costs based on a change of income.
- Requires IID providers and service and repair providers to post information related to costs conspicuously and to verbally inform a person of the fee schedule information, prior to installation and servicing of the device.
- Requires the DMV to publish fee schedule information.
- Requires the DMV to annually report specified information about the IID program to the Legislature, including specified data about vehicle crashes involving first-

time DUI offenders ordered to install an IID, and how many of those crashes did not involve alcohol.

Staff Comments: DMV indicates that this bill would subject DUI offenders to various fees depending on their violation and restricted license options/requirements, such as the \$125 APS fee and \$103 Administrative Service Fees. The revenue from these fees would be deposited in the MVA and help partially offset DMV administrative costs.

However, criminal fines and the collection of those fines is commonly misunderstood. Between fines, court costs, DUI school, DMV fees, increased car insurance premiums, and attorney fees, a DUI in California is a significant financial burden. Relying on the \$125 APS and \$103 Administrative Service Fees for cost recovery, is akin to squeezing blood from a turnip. Criminal fines rapidly balloon into unpayable amounts for most of the population, which then create significant downstream economic consequences for impacted individuals and society. Unsurprisingly, the judicial branch reported that \$8.6 billion in fines and fees remained unpaid at the end of 2019-20. The breakdown below is illustrative:

Base Fine	\$1,000
Penalty assessments and fees on a base fine of \$1,000 ¹	\$4,170
DMV driver's license reinstatement fee	\$125
Towing and impound fees	\$500 – \$1,000
Victim restitution fund	\$140
DUI school	\$500 – \$800
Ignition interlock device (IID)	\$1,000
Total	\$ 7,525 - \$8,235

Taken together, the cost of an IID and the associated fines and fees, would eat up more than 10% of a US family's median household income.²

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¹ Pen. Code, § 1464 state penalty on fines: 1,000 (\$10 for every \$10); Pen. Code, § 1465.7 state surcharge: 200 (20% surcharge); Pen. Code, § 1465.8 court operation assessment: 40 (\$40 fee per criminal offense); Gov. Code, § 70372 court construction penalty: 500 (\$5 for every \$10); Gov. Code, § 70373 assessment: 30 (\$30 for felony or misdemeanor); Gov. Code, § 76000 penalty 700 (\$7 for every \$10); Gov. Code, § 76000.5 EMS penalty: 200 (\$2 for every \$10); Gov. Code, § 76104.6 DNA fund penalty: 100 (\$1 for every \$10); Gov. Code, § 76104.7, and additional DNA fund penalty: 400 (\$4 for every \$10).

² Median Household Income by County in the US (Sept. 2024) U.S. Census Bureau
<https://www.census.gov/library/visualizations/interactive/median-household-income.html>.