

Commercial Vehicle Tracking

Digital License Plate Law Creates Privacy Headache

A NEW STATE law that allows for digital license plates to be installed on vehicles in California, may have created a privacy nightmare for employers.

The Motor Vehicle Digital Number Plates Act, which took effect Jan. 1, enables fleet and commercial vehicle owners to purchase and install digital license plates and soon-to-be-approved alternative devices for tags, stickers, tabs and registration codes that can track vehicles and make registration easier.

The new law has significant implications for fleet and commercial vehicle owners that want to track vehicles using a digital license plate or alternative GPS device, and they will need to follow the law's driver disclosure requirements to avoid fines.

What employers can and can't do

The law allows fleet and commercial vehicle owners to track vehicles through the digital license plate as long as it is "strictly necessary for the performance of the employee's duties." Employers may only monitor them during work hours.

If you choose to monitor employees, you are required to provide them with a notice, which under AB 984 must – at a minimum – include the following:

- A description of the activities that will be monitored.
- A description of the worker data that will be collected.
- A notification of whether the data gathered through monitoring will be used to make or inform any employment-related decisions, including disciplinary and termination decisions.
- A description of the vendors or other third parties, if any, to which information collected through monitoring will be disclosed or transferred.
- Names of personnel authorized to access the data.
- Dates, times and frequency of monitoring.
- Where the data will be stored and for how long.
- A notification of employees' rights to disable monitoring, including vehicle location technology, outside of work hours.



Firms that violate the law can be subject to:

- Civil penalties of \$250 for the initial violation, and
- \$1,000 per employee for each subsequent violation. For subsequent violations, penalties will be calculated per employee, per violation and per day an employer monitors its workers without proper notice.

The takeaway

With potential civil penalties at stake, employers that want to use these plates should tread carefully, legal experts say.

If you want to use them, you should revise your employee handbook to include the required notice. Additionally, if you plan to monitor employees using these plates, ensure you get their signatures on the disclosure form.

Be aware that you may need to comply with other legal requirements to protect your employees' privacy, including how you handle, store and convey data from the plates. ❖



Credit: Reviver