

**SUBSTITUTE FOR  
HOUSE BILL NO. 5040**

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 732a (MCL 257.732a), as amended by 2016 PA 32.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 732a. (1) An individual, whether licensed or not, who  
2 accumulates 7 or more points on his or her driving record under  
3 sections 320a and 629c within a 2-year period for any violation not  
4 listed under subsection (2) shall be assessed a \$100.00 driver  
5 responsibility fee. For each additional point accumulated above 7  
6 points not listed under subsection (2), an additional fee of \$50.00  
7 shall be assessed. The secretary of state shall collect the fees  
8 described in this subsection once each year that the point total on  
9 an individual driving record is 7 points or more. This subsection  
10 is subject to ~~subsection~~**SUBSECTIONS (10) AND (11)**.

1           (2) An individual, whether licensed or not, who violates any  
2 of the following sections or another law or local ordinance that  
3 substantially corresponds to those sections shall be assessed a  
4 driver responsibility fee as follows:

5           (a) Subject to ~~subsection~~**SUBSECTIONS (10) AND** (11), upon  
6 posting an abstract indicating that an individual has been found  
7 guilty for a violation of law listed or described in this  
8 subdivision, the secretary of state shall assess a \$1,000.00 driver  
9 responsibility fee each year for 2 consecutive years:

10           (i) Manslaughter, negligent homicide, or a felony resulting  
11 from the operation of a motor vehicle, ORV, or snowmobile.

12           (ii) Section 601b(2) or (3), 601c(1) or (2), 601d, 626(3) or  
13 (4), or 653a(3) or (4).

14           (iii) Section 625(1), (4), or (5), section 625m, or section  
15 81134 of the natural resources and environmental protection act,  
16 1994 PA 451, MCL 324.81134, or a law or ordinance substantially  
17 corresponding to section 625(1), (4), or (5), section 625m, or  
18 section 81134 of the natural resources and environmental protection  
19 act, 1994 PA 451, MCL 324.81134.

20           (iv) Failing to stop and disclose identity at the scene of an  
21 accident when required by law.

22           (v) Fleeing or eluding an officer.

23           (b) Subject to ~~subsection~~**SUBSECTIONS (10) AND** (11), upon  
24 posting an abstract indicating that an individual has been found  
25 guilty for a violation of law listed in this subdivision, the  
26 secretary of state shall assess a \$500.00 driver responsibility fee  
27 each year for 2 consecutive years:

1 (i) Section 625(3), (6), (7), or (8).

2 (ii) Section 626 or, beginning October 31, 2010, section  
3 626(2).

4 (iii) Section 904.

5 (iv) Section 3101, 3102(1), or 3103 of the insurance code of  
6 1956, 1956 PA 218, MCL 500.3101, 500.3102, and 500.3103.

7 (c) Through September 30, 2012, upon posting an abstract  
8 indicating that an individual has been found guilty for a violation  
9 of section 301, the secretary of state shall assess a \$150.00  
10 driver responsibility fee each year for 2 consecutive years.  
11 However, a driver responsibility fee shall not be assessed under  
12 this subdivision for a violation committed on or after October 1,  
13 2012.

14 (d) Through September 30, 2012, upon posting an abstract  
15 indicating that an individual has been found guilty or determined  
16 responsible for a violation listed in section 328, the secretary of  
17 state shall assess a \$200.00 driver responsibility fee each year  
18 for 2 consecutive years. However, a driver responsibility fee shall  
19 not be assessed under this subdivision for a violation committed on  
20 or after October 1, 2012.

21 (3) The secretary of state shall send a notice of the driver  
22 responsibility assessment, as prescribed under subsection (1) or  
23 (2), to the individual by regular mail to the address on the  
24 records of the secretary of state. If payment is not received  
25 within 30 days after the notice is mailed, the secretary of state  
26 shall send a second notice that indicates that if payment is not  
27 received within the next 30 days, the driver's driving privileges

1 will be suspended.

2 (4) The secretary of state may authorize payment by  
3 installment for a period not to exceed 24 months or, alternatively,  
4 the individual may engage in community service under section 732b.

5 (5) Except as otherwise provided under this subsection and  
6 section 732b, if payment is not received or an installment plan is  
7 not established after the time limit required by the second notice  
8 prescribed under subsection (3) expires, the secretary of state  
9 shall suspend the driving privileges until the assessment and any  
10 other fees prescribed under this act are paid. However, if the  
11 individual's license to operate a motor vehicle is not otherwise  
12 required under this act to be denied, suspended, or revoked, the  
13 secretary of state shall reinstate the individual's operator's  
14 driving privileges if the individual requests an installment plan  
15 under subsection (4) and makes proper payment under that plan. Fees  
16 required to be paid for the reinstatement of an individual's  
17 operator's driving privileges as described under this subsection  
18 shall, at the individual's request, be included in the amount to be  
19 paid under the installment plan. If the individual establishes a  
20 payment plan as described in this subsection and subsection (4) but  
21 the individual fails to make full or timely payments under that  
22 plan, or enters into community service under section 732b but fails  
23 to successfully complete that service within the 45-day period  
24 allowed, or withdraws from community service with or without good  
25 cause shown, the secretary of state shall suspend the individual's  
26 driving privileges. The secretary of state shall only reinstate a  
27 license under this subsection once. ~~Not later than April 1, 2013,~~

1 ~~the secretary of state shall only reinstate a license under this~~  
2 ~~subsection 3 times.~~

3 ~~— (6) A fee shall not be assessed under this section for 7~~  
4 ~~points or more on a driving record on October 1, 2003. Points~~  
5 ~~assigned after October 1, 2003 shall be assessed as prescribed~~  
6 ~~under subsections (1) and (2), but subject to subsection (11).~~

7 (6) ~~(7)~~—A driver responsibility fee shall be assessed under  
8 this section in the same manner for a conviction or determination  
9 of responsibility for a violation or an attempted violation of a  
10 law of this state, of a local ordinance substantially corresponding  
11 to a law of this state, or of a law of another state substantially  
12 corresponding to a law of this state.

13 (7) ~~(8)~~—The fire protection fund is created within the state  
14 treasury. The state treasurer may receive money or other assets  
15 from any source for deposit into the fund. The state treasurer  
16 shall direct the investment of the fund. The state treasurer shall  
17 credit to the fund interest and earnings from fund investments.  
18 Money in the fund at the close of the fiscal year shall remain in  
19 the fund and shall not lapse to the general fund. The department of  
20 licensing and regulatory affairs shall expend money from the fund,  
21 upon appropriation, only for fire protection grants to cities,  
22 villages, and townships with state-owned facilities for fire  
23 services, as provided in 1977 PA 289, MCL 141.951 to 141.956.

24 (8) ~~(9)~~—The secretary of state shall transmit the fees  
25 collected under this section to the state treasurer. The state  
26 treasurer shall credit fee money received under this section in  
27 each fiscal year as follows:

1 (a) The first \$8,500,000.00 shall be credited to the fire  
2 protection fund created in subsection ~~(8)~~-(7).

3 (b) For fiscal year 2015, after the amount specified in  
4 subdivision (a) is credited to the fire protection fund created  
5 under subsection ~~(8)~~-(7), the next \$1,550,000.00 shall be credited  
6 as follows:

7 (i) \$550,000.00 to the department of treasury, distributed as  
8 follows:

9 (A) \$500,000.00 for administering the requirements of the  
10 department of treasury under section 732b.

11 (B) \$50,000.00 for providing a 1-time-only written notice to  
12 individuals under section 732b(2) of the option of entering into  
13 community service as an alternative to paying a driver  
14 responsibility fee.

15 (ii) \$1,000,000.00 to the department of state for necessary  
16 expenses incurred by the department of state in implementing and  
17 administering the requirements of sections 625k and 625q. ~~of the~~  
18 ~~Michigan vehicle code, 1949 PA 300, MCL 257.625k and 257.625q.~~  
19 Funds appropriated under this subparagraph shall be based upon an  
20 established cost allocation methodology that reflects the actual  
21 costs incurred or to be incurred by the secretary of state during  
22 the fiscal year. However, funds appropriated under this  
23 subparagraph shall not exceed \$1,000,000.00 during that fiscal  
24 year.

25 (c) For fiscal year 2016, after the amount specified in  
26 subdivision (a) is credited to the fire protection fund created  
27 under subsection ~~(8)~~-(7), the next \$1,500,000.00 shall be credited

1 as follows:

2 (i) \$500,000.00 to the department of treasury for  
3 administering the requirements of the department of treasury under  
4 section 732b.

5 (ii) \$1,000,000.00 to the department of state for necessary  
6 expenses incurred by the department of state in implementing and  
7 administering the requirements of sections 625k and 625q. ~~of the~~  
8 ~~Michigan vehicle code, 1949 PA 300, MCL 257.625k and 257.625q.~~  
9 Funds appropriated under this subparagraph shall be based upon an  
10 established cost allocation methodology that reflects the actual  
11 costs incurred or to be incurred by the secretary of state during  
12 the fiscal year. However, funds appropriated under this  
13 subparagraph shall not exceed \$1,000,000.00 during that fiscal  
14 year.

15 (d) For fiscal year 2017 and for each fiscal year thereafter,  
16 after the amount specified in subdivision (a) is credited to the  
17 fire protection fund created under subsection ~~(8)~~, **(7)**, the next  
18 \$1,000,000.00 shall be credited to the department of state for  
19 necessary expenses incurred by the department of state in  
20 implementing and administering the requirements of sections 625k  
21 and 625q. ~~of the Michigan vehicle code, 1949 PA 300, MCL 257.625k~~  
22 ~~and 257.625q.~~ Funds appropriated under this subdivision shall be  
23 based upon an established cost allocation methodology that reflects  
24 the actual costs incurred or to be incurred by the secretary of  
25 state during the fiscal year. However, funds appropriated under  
26 this subdivision shall not exceed \$1,000,000.00 during any fiscal  
27 year.

1 (e) Any amount collected after crediting the amounts under  
2 subdivisions (a) through (d) shall be credited to the general fund.

3 **(9)** ~~(10)~~—The collection of assessments under this section is  
4 subject to section 304.

5 **(10)** ~~(11)~~ **A—SUBJECT TO SUBSECTION (11), A** driver  
6 responsibility fee shall be assessed and collected under this  
7 section as follows:

8 (a) For an individual who accumulates 7 or more points on his  
9 or her driving record beginning on the following dates, a fee  
10 assessed under subsection (1) shall be reduced as follows:

11 (i) Beginning October 1, 2015, the assessment shall be 75% of  
12 the fee calculated under subsection (1).

13 (ii) Beginning October 1, 2016, the assessment shall be 50% of  
14 the fee calculated under subsection (1).

15 (iii) Beginning October 1, 2018, the assessment shall be 25%  
16 of the fee calculated under subsection (1).

17 (iv) Beginning October 1, 2019, no fee shall be assessed under  
18 subsection (1).

19 (b) A fee assessed under subsection (2) (a) or (b) shall be  
20 reduced as follows:

21 (i) For a violation that occurs on or after October 1, 2015,  
22 100% of the fee shall be assessed for the first year and 50% for  
23 the second year.

24 (ii) For a violation that occurs on or after October 1, 2016,  
25 100% of the fee shall be assessed for the first year and no fee  
26 shall be assessed for the second year.

27 (iii) For a violation that occurs on or after October 1, 2018,

1 50% of the fee shall be assessed for the first year and no fee  
2 shall be assessed for the second year.

3 (iv) For a violation that occurs on or after October 1, 2019,  
4 no fee shall be assessed under subsection (2)(a) or (b).

5 **(11) BEGINNING SEPTEMBER 30, 2018, ALL OF THE FOLLOWING APPLY:**

6 **(A) ANY OUTSTANDING DRIVER RESPONSIBILITY FEE ASSESSED UNDER**  
7 **THIS SECTION SHALL NOT BE COLLECTED.**

8 **(B) AN INDIVIDUAL IS NOT LIABLE FOR ANY OUTSTANDING DRIVER**  
9 **RESPONSIBILITY FEE ASSESSED UNDER THIS SECTION OR RESPONSIBLE FOR**  
10 **COMPLETING COMMUNITY SERVICE UNDER SECTION 732B.**

11 **(C) AN INDIVIDUAL WHOSE DRIVING PRIVILEGES WERE SUSPENDED**  
12 **UNDER THIS SECTION IS ELIGIBLE TO REINSTATE HIS OR HER OPERATOR'S**  
13 **LICENSE IF HE OR SHE IS OTHERWISE IN COMPLIANCE WITH THIS ACT.**

14 (12) It is the intent of the legislature that beginning with  
15 the fiscal year ending September 30, 2018, and each fiscal year  
16 after that, \$8,500,000.00 shall be appropriated to the fire  
17 protection fund created under subsection ~~(8)~~ **(7)**.