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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 991 (as reported)

Sponsor: Senator Michael O'Brian

Committee: State Affairs, Tourism, and Transportation

Date Completed: 11-7-88

RATIONALE

The Motorcycle Safety Education Program, which is conducted by the Department of Education, provides for the establishment and funding of motorcycle safety courses at public institutions or governmental agencies such as sheriffs' departments. To date, the program has been funded from fees received for original motorcycle indorsements and motorcycle registrations (\$4 of each \$7.50 for an original indorsement and \$3 of each \$23 for a motorcycle registration) but these revenues have been decreasing steadily, primarily because motorcycle registrations have declined from 254,129 in 1980 to 171,499 in 1987. The demand for the safety education courses, however, reportedly has remained constant, which some believe is attributable to the increasing number of persons who are choosing to drive all terrain vehicles rather than street motorcycles but who still want to take advantage of the driver safety classes offered through the Motorcycle Safety Education Program. If the availability and accessibility of the classes are to keep pace with the demand, some claim that additional funds must be earmarked for the program.

CONTENT

The bill would amend the Michigan Vehicle Code to require the Secretary of State to charge a \$15 fee for each motorcycle operator driving test, increase the renewal fees for motorcycle indorsements, and allocate the test fee and the increases in the renewal fees to the Motorcycle Safety Fund to be used only to fund the Motorcycle Safety Education Program. Under the bill, the \$2 renewal fee for a motorcycle indorsement for a three-year or four-year driver's license would be increased to \$4, and the \$3 renewal fee for a motorcycle indorsement on a two-year license would be increased to \$5. (The Act provides that a two-year license may be issued to a person who has been charged with 12 or more points in the 24 months preceding the expiration of his or her current license, or had his or her license suspended or revoked, or been convicted of certain violations in the 36 months preceding expiration.)

MCL 257.312b et al.

FISCAL IMPACT

The bill would generate approximately \$375,000 in additional revenue for the State Motorcycle Safety Fund. According to the Department of State, there are approximately 9,000 motorcycle operator driving tests and 120,000 motorcycle indorsement renewals each year. Assuming this amount of activity continues, the proposed \$15 driving test fee and the \$2 indorsement

renewal fee increase would generate \$135,000 and \$240,000, respectively.

As of September 30, 1987, the total amount of Motorcycle Safety Fees collected by the Department of State from motorcycle license plate sales and motorcycle drivers license fees was \$575,401. In FY 1988-89, \$264,700 was appropriated from the Motorcycle Safety Fund for the Department of State administration of this program with the remaining balance transferred to the Department of Education.

ARGUMENTS**Supporting Argument**

By targeting additional funds for the Motorcycle Safety Education Program, the bill would help to ensure that motorcycle safety classes continue to be widely accessible to the public and that motorcycle and all terrain vehicle enthusiasts have the opportunity to obtain instruction in the proper operation of the vehicles and safe driving habits.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

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