

DRIVER RESPONSIBILITY FEES

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House Bill 4665

Sponsor: Rep. Bettie Cook Scott

Committee: Transportation

Complete to 6-12-08

A REVISED SUMMARY OF HOUSE BILL 4665 AS INTRODUCED 4-25-07

Public Act 165 of 2003 amended the Michigan Vehicle Code to establish "driver responsibility fees" for drivers who accumulate a certain number of points on their licenses and for drivers who commit certain specified offenses. These are in addition to the penalties for committing the offenses. House Bill 4665 would make changes to those driver responsibility fees.

****Currently, there is a \$1,000 driver responsibility fee assessed each year for two consecutive years for certain moving violations. The bill would replace this with a one-time \$1,500 fee. This applies to:**

- Manslaughter, negligent homicide, or a felony resulting from the operation of a motor vehicle, off-road vehicle (ORV), or snowmobile.
- A moving violation subject to criminal penalties that results in injury or death to a person working in a construction zone or operating an implement of husbandry on a highway; or causing injury or death to a police officer, fire-fighter, or other emergency response personnel in the immediate area of a stationary authorized emergency vehicle.
- Operating a motor vehicle or ORV while intoxicated; or causing the death or serious impairment of a body function of another person while driving under the influence or while visibly impaired due to the consumption of alcohol or a controlled substance (OWI).
- Failing to stop and disclose identity at the scene of an accident when required by law.
- Fleeing or eluding an officer.

****There is currently a \$500 fee assessed each year for two consecutive years for certain violations. The bill would instead impose a one-time \$1,000 fee. This applies to:**

- Operating under the influence or while visibly impaired due to the consumption of alcohol or a controlled substance.
- Driving with any bodily alcohol content if under the age of 21.
- Operating under the influence of alcohol or a controlled substance or OWI with a passenger under 16.
- Reckless driving.
- Violations of mandatory insurance provisions in the Insurance Code.

****Currently, driving with a suspended or revoked license or registration certificate is subject to the \$500-for-two-consecutive-years-fee (as described above). Under the bill, the fee for this offense would remain at \$500, but this would be a one-time fee.**

** The amount of other driver responsibility fees for other specific qualifying offenses would remain the same but would become one-time fees rather than be assessed in each of two consecutive years.

The Secretary of State must mail notice of the fee to the driver who then has 30 days to pay the fee. If payment is not made within 30 days, a second notice is sent indicating driving privileges will be suspended if payment is not received within the next 30 days. Currently, the Vehicle Code allows the secretary of state to authorize installment payments for amounts of \$500 or more for periods not to exceed 12 months. Under the bill, if a driver requests an installment plan for an amount of \$500 or more, the secretary of state would have to authorize such a plan. If payment is not received or an installment plan is not established after the time limit expires, the SOS could suspend driving privileges until the assessment and any other fees are paid.

MCL 257.732a

FISCAL IMPACT:

House Bill 4665 would have an indeterminate fiscal impact on the State of Michigan. Because the bill lowers the amount of Driver Responsibility Fees for certain moving violations, the bill will decrease state revenues over time by an indeterminate amount.

Under current law, Public Act 165 of 2003, if an individual is assessed a driver responsibility fee for certain offenses, they must pay the fee each year for two consecutive years. This bill would change this requirement so that the driver would pay the fee or a new fee amount for only the first year. By altering the timing of the fee payments and changing the amount of some fees to a one-time fee which is higher than the first year of a fee assessed for two years, the state may experience an increase in revenue collected initially and see overall collections decrease over time.

Driver Responsibility Fee revenue is required to be deposited into the State General Fund. If the amount of collections is high enough, revenue is also deposited into the Fire Protection Fund, which is used for Fire Protection Grants funded within the Department of Labor and Economic Growth. Public Act 165 of 2003 provides that if Driver Responsibility Fee collections exceed \$65.0 million, then \$3.5 million of the revenue is to be deposited into the Fire Protection Fund. The act also provides that an additional \$5.0 million may be deposited if collections exceed \$100.0 million. In FY 2007, approximately \$111.0 million was generated through the collection of Driver Responsibility Fees. Thus, in FY 2007, the fees generated approximately \$102.5 million for the State General Fund and \$8.5 million for Fire Protection Grants.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.