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BILL ANALYSIS

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House Bill 4749 (Substitute H-8 as passed by the House)  
Sponsor: Representative Barbara Farrah  
House Committee: Regulatory Reform  
Senate Committee: Economic Development and Regulatory Reform

Date Completed: 10-17-07

## **CONTENT**

**The bill would amend the Michigan Vehicle Code to do all of the following:**

- **Allow a person to operate a motorcycle without a helmet if he or she were at least 21 years old; had been licensed to operate a motorcycle for at least two years or had passed a motorcycle safety course; had at least \$20,000 security for medical benefits; and had a permit issued under the bill.**
- **Exempt an out-of-State motorcycle operator, who owned the motorcycle, from the Code's requirement to wear a crash helmet.**
- **Exempt from the helmet requirement a motorcycle passenger who was at least 21, if the motorcycle operator met the bill's conditions for operating without a helmet.**
- **Require the Secretary of State to issue a permit to a person who satisfied the bill's requirements for operating a motorcycle without a helmet.**
- **Establish fees of \$100 for a one-year permit and \$200 for a three-year permit.**
- **Require the Secretary of State, upon request, to issue a license plate sticker with a permit.**
- **Create the "Motorcycle Crash Helmet Permit Fee Fund" and require the Secretary of State to deposit revenue from permit fees into the Fund.**
- **Provide that, upon appropriation, the first \$5.0 million in the proposed Fund would be used for law enforcement training for enforcing the bill's provisions, and the remainder would be used to fund Michigan State Police troopers.**
- **Designate helmet and motorcycle license indorsement violations as civil infractions and specify maximum fines.**

The bill's provisions allowing motorcycle operators and passengers not to wear helmets and establishing the Fund would be repealed effective January 1, 2013.

### Use of a Crash Helmet

The Code requires a person operating or riding on a motorcycle, and any person under 19 years old operating a moped on a public thoroughfare to wear a crash helmet on his or her head. Under the bill, until January 1, 2013, the helmet requirement would not apply to a motorcycle operator if all of the following conditions were satisfied:

- He or she was at least 21 years old.
- He or she had been licensed under the Vehicle Code to operate a motorcycle for at least two years or had successfully completed a motorcycle safety course under the Code.

- He or she had in effect security in the amount of \$20,000 for the payment of first-party medical benefits payable if he or she were involved in a motorcycle accident.
- He or she carried a valid permit to operate a motorcycle without a helmet.

The Code's helmet requirement also would not apply until January 1, 2013, to a motorcycle operator who was not a Michigan resident and who owned the motorcycle he or she operated.

The helmet requirement would not apply until January 1, 2013, to a motorcycle passenger who was at least 21 if the motorcycle operator had satisfied all of the requirements listed above, or were an out-of-State operator exempt from the helmet requirement.

#### Permit to Operate without a Helmet

The bill would require a person to obtain a permit from the Secretary of State before operating a motorcycle on a public street or highway in Michigan without wearing a crash helmet on his or her head. The Secretary of State would have to issue a permit if the person had satisfied all of the requirements for operating a motorcycle without a helmet and paid a fee of either \$100 annually for a permit that would be valid for one year, or \$200 for a permit that would be valid for three years.

A permit issued under the bill would have to contain the person's name, address, and date of birth; the permit's expiration date; and the following statement:

A person who operates a motorcycle on a public street or highway in this state without wearing a crash helmet who fails to produce a valid permit issued under MCL 257.658c upon the request of a peace officer is in violation of MCL 257.658(4), a civil infraction for which the person may be fined not more than \$300.

A permit also would have to contain any other information required by the Secretary of State.

Upon request, the Secretary of State would have to issue a permit sticker to the registered owner of a motorcycle, for placement on its license plate, if the owner met all of the requirements for operating a motorcycle without a helmet and presented a valid permit to operate a motorcycle without a helmet. A permit sticker would have to bear the permit's expiration date.

#### Motorcycle Crash Helmet Permit Fee Fund

The Secretary of State would have to deposit money collected from fees paid for permits to operate a motorcycle without a helmet into the Motorcycle Crash Helmet Permit Fee Fund, which the bill would create within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund and would have to direct its investment. The Treasurer also would have to credit to the Fund interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would have to remain in the Fund and could not lapse to the General Fund.

The Secretary of State would be the administrator of the Fund for auditing purposes. The Secretary of State could spend money from the Fund, upon appropriation, only as follows:

- The first \$5.0 million deposited into the Fund would have to be paid to the Commission on Law Enforcement Standards to defray the cost of developing and implementing minimum training standards concerning enforcement of the bill's provisions for operating or riding on a motorcycle without a helmet.

-- The remainder of money in the Fund would have to be paid to fund the at-post trooper line item in the Department of State Police budget in Senate Bill 238 for the 2007-08 fiscal year, and to a commensurate line item in the Department of State Police budget for each subsequent fiscal year.

### Violations

The Vehicle Code requires a person, before operating a motorcycle upon a public street or highway in Michigan, to procure a motorcycle indorsement on his or her driver license. The bill specifies that a person who violated this requirement would be responsible for a civil infraction. Before January 1, 2013, a violator could be fined up to \$200. On and after January 1, 2013, the maximum fine would be \$100.

A person who violated the Code's requirement for wearing a crash helmet while operating or riding on a motorcycle would be responsible for a civil infraction and could be fined up to \$300.

MCL 257.312a et al.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have a potentially significant positive fiscal impact on the operations of Department of State Police and a possible added burden on State and Federal tax dollars designated for health care.

Under the bill, the first \$5.0 million of revenue earned from the proposed permits would be designated for use by the Michigan Commission on Law Enforcement Standards (MCOLES) within the Department of State Police for the purpose of developing and implementing training standards for the enforcement of the bill's provisions. All subsequent earnings from the permits would be designated to fund Michigan State Troopers within the Department of State Police budget.

The amount of permit revenue that could be generated depends upon how many of the approximate 200,000 motorcycle registrants (or, more broadly, the approximate 500,000 people who have a license indorsement to operate a motorcycle) in the State would opt for a permit allowing them to operate without wearing a crash helmet. Another variable would be how many of those might choose a three-year permit, versus a one-year permit. For the purpose of this analysis, it is assumed that one-third, or 66,000, of those who hold a motorcycle registration would obtain a permit initially (although the State Police has estimated a participation rate of 20%), with 75% of that group opting for a three-year permit and 25% choosing a one-year permit. It is not known how many of those who do not hold a motorcycle registration, but have a motorcycle license indorsement, would choose to obtain a permit. Considering the registrant population only, the amount of initial revenue generated by the bill under this scenario would be approximately \$11,550,000, providing \$5.0 million to MCOLES and \$6,550,000 to fund Michigan State Troopers. Depending upon the potential staggered time frame of when those eligible for permits would obtain them, revenue from the bill would decrease considerable after the first year, with revenue picking up after the second year, depending upon how many initial three-year permits would be renewed at that time.

Regarding the bill's potential impact on health care cost, the Michigan State Police's Office of Highway Safety Planning has reported that if Michigan's mandatory motorcycle helmet law were to be repealed or helmet use be made optional, it is estimated that the State would see an increase of at least 30 fatalities, 127 incapacitating injuries, and \$129.0 million in economic costs. An indeterminate percentage of any increased costs would be covered by the State's Medicaid program and would increase State GF/GP costs.

In addition, the bill would make operating a motorcycle without the proper indorsement a civil infraction and impose a fine of not more than \$200 prior to January 1, 2013, and a fine of not more than \$100 on and after that date. Currently, this violation is considered a misdemeanor and subject to a maximum fine of \$100. The bill also would make riding without a helmet without the proper permit a civil infraction, and subject to a fine of up to \$300. There are no data to indicate the number of violations of these sections of the Michigan Vehicle Code. Any civil infraction revenue would go to support public libraries.

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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.