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BILL ANALYSIS

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House Bill 6455 (Substitute S-1 as reported)
Sponsor: Representative Fred Miller
House Committee: Transportation
Senate Committee: Transportation

CONTENT

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

- Permit the Secretary of State (SOS) to authorize the payment of a driver responsibility fee in installments for a maximum period of 24 months, rather than in payments of \$500 or more for a maximum of 12 months.
- Require the SOS, if an individual's driving privileges were revoked for failure to pay a driver responsibility fee, to reinstate the individual's driving privileges if he or she requested an installment plan and made proper payments under it.
- Require the SOS to suspend a person's driving privileges if he or she established an installment plan but failed to make full or timely payments under it.
- Require a payment plan to include license reinstatement fees, upon an individual's request.
- Authorize the SOS to reinstate a license under these provisions only once.

MCL 257.732a

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill could result in a higher rate of return on the amounts of driver responsibility fee revenue collected by the Secretary of State; however, the amount of additional revenue is indeterminate. In FY 2006-07, the SOS collected an estimated \$112.0 million in driver responsibility fees, which represented approximately 55% of the fees assessed. By permitting the SOS to allow anyone assessed any amount of these fees to pay the fee via a 24-month payment plan, the bill could improve the repayment rate, resulting in more revenue collected. In addition, the bill would allow the \$125 driver license reinstatement fee to be included in a repayment plan, which could result in more individuals reinstating their license, leading to additional revenue to the State. The amount of additional revenue that the State could collect would depend on the increase in the collection rate of driver responsibility fees and the additional individuals choosing to reinstate their driver license, which is indeterminate.

The bill would have no fiscal impact on local government.

Date Completed: 12-4-08

Fiscal Analyst: Joe Carrasco