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BILL ANALYSIS



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House Bill 6455 (Substitute H-1 as passed by the House)
Sponsor: Representative Fred Miller
House Committee: Transportation
Senate Committee: Transportation

Date Completed: 12-3-08

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 of any amount 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 a payment plan to include license reinstatement fees, upon an individual's request.**

The Code provides for the assessment of a driver responsibility fee if an individual violates certain State laws or corresponding local ordinances. The amount of the fee is based on the violation.

The SOS must mail a notice of the assessment to the individual. If payment is not received within 30 days, the SOS must send a second notice that indicates that if payment is not received within the next 30 days, the driver's driving privileges will be revoked.

The Code permits the SOS to authorize payment of a driver responsibility fee by installments of an amount of \$500 or more, for a period not to exceed 12 months. The bill instead would permit the SOS to authorize installments for any amount, for a period not to exceed 24 months.

Under the Code, if payment is not received or an installment plan is not established after the time limit under the second notice expires, the SOS must suspend the individual's driving privileges until the assessment and any other fees are paid.

Under the bill, however, if the Code did not otherwise require the individual's license to operate a motor vehicle to be denied, suspended, or revoked, the SOS would have to reinstate the individual's operator's driving privileges if he or she requested an installment plan and made proper payment under that plan.

Fees required to be paid for the reinstatement of an individual's driving privileges would have to be included in the amount to be paid under the installment plan, at the individual's request. If the individual established a payment plan under these provisions but failed to make full or timely payments under the plan, the SOS would have to suspend the individual's driving privileges.

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. The bill's requirement to allow anyone assessed any amount of these fees to pay the fee via a 24-month payment plan could improve the repayment rate, resulting in more revenue collected. Currently, only fee amounts over \$500 may be repaid over a 12-month period. 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.

Fiscal Analyst: Joe Carrasco

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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.