

DRIVER RESPONSIBILITY FEES: REVISE

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5603

Sponsor: Rep. Bert Johnson

Committee: Judiciary

Complete to 11-17-09

A SUMMARY OF HOUSE BILL 5603 AS INTRODUCED 11-12-09

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 5603 would eliminate some of these driver responsibility fees upon enactment, eliminate some of the fees as of December 31, 2009, and suspend the collection of other fees until a later date.

The bill would make the following changes:

****** The bill would prohibit the secretary of state (SOS) from assessing, or collecting, a fee for accumulating seven or more points within a two-year period for certain violations as of December 31, 2009.

****** 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 fee and eliminate some of the violations for which a fee is assessed. The \$1,000 fee currently 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. The bill would eliminate these provisions.
- 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.
- Reckless driving causing serious impairment of a body function or death. (A fee would be imposed for these violations sometime after the provisions implementing them took effect on October 31, 2010.)

** There is currently a \$500 fee assessed each year for two consecutive years for certain violations. The bill would apply this fee beginning January 1, 2010, but would revise the violations to which the fee applies as follows:

- 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.
- Operating with any bodily amount of a Schedule 1 drug or cocaine.
- Reckless driving.
- Driving without a license (denied, suspended, or revoked or never applied for a license). The bill would eliminate this provision.
- Violations of mandatory insurance provisions in the Insurance Code. The bill would eliminate this provision.

** There is currently a \$150 fee assessed each year for two consecutive years for operating a vehicle without a valid operator's or chauffeur's license, having more than one license, or failing to surrender licenses from other states. The bill would apply this fee only through December 31, 2009, and limit it to one year. The bill would prohibit this fee from being assessed or collected for a violation committed on or after January 1, 2010.

** There is currently a \$200 fee assessed each year for two consecutive years for failure to produce proof of insurance upon request of a police officer. The bill would apply this fee only through December 1, 2009, and limit it to one year. The bill would prohibit this fee from being collected or assessed for a violation committed on or after January 1, 2010.

The bill is tie-barred to three other bills addressing driver responsibility fees, House Bills 4098, 4101, and 4604.

MCL 257.732a

FISCAL IMPACT:

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 Energy, 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, for a potential total deposit of \$8.5 million.

In FY 2008, approximately \$115.8 million net revenue was generated through the collection of Driver Responsibility Fees after collection costs. Of this \$115.8 million revenue, \$107.3 million was deposited into the State General Fund and \$8.5 million funding was dedicated for Fire Protection Grants.

Overall, as of 2008, the collection rate of Driver Responsibility Fees since the program's inception in 2004 is 48.5 per cent. In 2008, the total of all assessments for Driver Responsibility Fees over the program's five years of existence totaled almost \$800.0 million. Of this amount, just under \$400.0 million has been collected.

The provisions of House Bill 5603 would reduce revenue to the State General Fund by an indeterminate, but likely significant amount, by eliminating specified Driver Responsibility Fee assessments after December 31, 2009. The only revenue that would be recovered under the eliminated assessment categories after that date would come from past assessments that individuals have not yet paid. In addition, the bill could potentially eliminate the \$8.5 million revenue for the Fire Protection Grants since that payment is deposited only when collections exceed \$65.0 million in a year.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Ben Gielczyk

■ 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.