

# Legislative Analysis



## **DRIVER LICENSE SUSPENSIONS FOR CERTAIN CONDUCT: REVISE**

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**House Bill 5791 (reported from committee as H-1)**

**Sponsor: Rep. Klint Kesto**

**1<sup>st</sup> House Committee: Transportation and Infrastructure**

**2<sup>nd</sup> House Committee: Judiciary**

**Complete to 12-7-16**

### **SUMMARY:**

House Bill 5791 amends the Michigan Vehicle Code. Currently, the code requires the Office of Secretary of State (SOS) to immediately suspend or deny a driver's license for an additional 30 days when it receives a record of a individual's conviction or civil infraction determination for unlawfully operating a motor vehicle or for a moving violation reportable to the Secretary of State, if that individual's license has been indefinitely suspended or the individual's application for a license has been denied.

The bill will create an exception, and thus not apply the additional 30-day period of suspension or denial in certain specified instances. This exception applies if the unlawful operation of a motor vehicle or moving violation reported to the SOS under Section 732 of the code occurred while the person's license was suspended for any of the following:

- Failure to answer a citation or a notice to appear in court for a violation reportable to the SOS.
- Failure, within 30 days, to satisfy (pay) a judgment.
- Failure to pay, or to establish an installment payment plan, a driver responsibility fee within specified time periods.

The bill takes effect January 1, 2018.

MCL 257.904

### **BRIEF DISCUSSION OF THE ISSUES:**

According to testimony by a representative of the Michigan District Judges Association, current law often results in people who have cleared up their unpaid tickets or driver responsibility fees, or their unpaid civil judgments, having their licenses suspended for another 30 days and having to pay another \$125 license reinstatement fee. This can prove to be a financial hardship to people already struggling financially.

Some feel the law should be changed so that a person whose license was suspended due to unpaid tickets or other fees should not be subject to the additional 30-day license suspension and additional license reinstatement fee. The amendments would not apply to those whose licenses had been initially suspended for other reasons, such as drunk driving.

When the original license suspension was for non-driving related conduct, it is important to enable people to reestablish their driving privileges as soon as possible to not interfere with the ability to maintain employment, access education and health care for themselves and their families, and attend to other aspects of daily life. The bill will enable people who originally lost their licenses due to failure to pay financial responsibilities to get their licenses back as soon as those obligations are fulfilled.

## **FISCAL IMPACT:**

This bill would have an indeterminate, but potentially considerable, fiscal impact on state government agencies due to the loss of revenue from license reinstatement fees.

Drivers who have had their licenses suspended, and who wish to have them reinstated, must pay a \$125 reinstatement fee to do so. Revenue from reinstatement fees is distributed to the Department of State, the Department of Transportation, and the Michigan State Police. Suspended drivers who receive an additional 30-day suspension in accordance with Sec. 904, paragraph (11), which this bill seeks to change, and who wish to reinstate their license, must pay a reinstatement fee for the initial suspension as well as a second reinstatement fee at the end of the 30-day suspension. The exemption of certain drivers, under this bill, from the 30-day suspension would therefore also eliminate these drivers' having to pay for a second reinstatement fee as well as revenue from those fees.

It is not yet determined how much revenue would be lost from the exemptions made in this bill. The Department of State estimates that they receive up to \$3 million yearly in reinstatement fees from drivers suspended under sections 321A, 511, and 732A but does not yet know how much of this revenue would be directly impacted by the bill, which could be much less. Total expected revenue from reinstatement fees for FY 2016-17 to the Department of State is \$5.2 million. Revenue losses from this bill could potentially require additional GF/GP funds to replace lost funding or require a reduction in services in the affected agencies.

## **POSITIONS:**

A representative of the Michigan District Court Judges Association testified in support of the bill. (9-20-16)

A representative of the Office of the Secretary of State testified the agency is neutral on the bill. (9-20-16)

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