

Legislative Analysis



DRIVER LICENSE SUSPENSIONS FOR CERTAIN CONDUCT: REVISE

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House Bill 5791 as introduced

Sponsor: Rep. Klint Kesto

1st House Committee: Transportation and Infrastructure

2nd House Committee: Judiciary

Complete to 9-19-16

SUMMARY:

House Bill 5791 amends the Michigan Vehicle Code. Currently, the Office of Secretary of State (SOS) is required to immediately suspend or deny a driver's license for an additional 30 days when it receives a record of a person's conviction or civil infraction determination for unlawfully operating a motor vehicle or a moving violation while the person's license is indefinitely suspended or whose 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 under Section 732.
- 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 90 days after enactment.

MCL 257.904

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.

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