

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5040**

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 732a (MCL 257.732a), as amended by 2016 PA 32.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 732a. (1) An individual, whether licensed or not, who
2 accumulates 7 or more points on his or her driving record under
3 sections 320a and 629c within a 2-year period for any violation not
4 listed under subsection (2) shall be assessed a \$100.00 driver
5 responsibility fee. For each additional point accumulated above 7
6 points not listed under subsection (2), an additional fee of \$50.00
7 shall be assessed. The secretary of state shall collect the fees
8 described in this subsection once each year that the point total on
9 an individual driving record is 7 points or more. This subsection
10 is subject to ~~subsection~~**SUBSECTIONS (10) AND (11).**

1 (2) An individual, whether licensed or not, who violates any
2 of the following sections or another law or local ordinance that
3 substantially corresponds to those sections shall be assessed a
4 driver responsibility fee as follows:

5 (a) Subject to ~~subsection~~ **SUBSECTIONS (10) AND** (11), upon
6 posting an abstract indicating that an individual has been found
7 guilty for a violation of law listed or described in this
8 subdivision, the secretary of state shall assess a \$1,000.00 driver
9 responsibility fee each year for 2 consecutive years:

10 (i) Manslaughter, negligent homicide, or a felony resulting
11 from the operation of a motor vehicle, ORV, or snowmobile.

12 (ii) Section 601b(2) or (3), 601c(1) or (2), 601d, 626(3) or
13 (4), or 653a(3) or (4).

14 (iii) Section 625(1), (4), or (5), section 625m, or section
15 81134 of the natural resources and environmental protection act,
16 1994 PA 451, MCL 324.81134, or a law or ordinance substantially
17 corresponding to section 625(1), (4), or (5), section 625m, or
18 section 81134 of the natural resources and environmental protection
19 act, 1994 PA 451, MCL 324.81134.

20 (iv) Failing to stop and disclose identity at the scene of an
21 accident when required by law.

22 (v) Fleeing or eluding an officer.

23 (b) Subject to ~~subsection~~ **SUBSECTIONS (10) AND** (11), upon
24 posting an abstract indicating that an individual has been found
25 guilty for a violation of law listed in this subdivision, the
26 secretary of state shall assess a \$500.00 driver responsibility fee
27 each year for 2 consecutive years:

1 (i) Section 625(3), (6), (7), or (8).

2 (ii) Section 626 or, beginning October 31, 2010, section
3 626(2).

4 (iii) Section 904.

5 (iv) Section 3101, 3102(1), or 3103 of the insurance code of
6 1956, 1956 PA 218, MCL 500.3101, 500.3102, and 500.3103.

7 (c) Through September 30, 2012, upon posting an abstract
8 indicating that an individual has been found guilty for a violation
9 of section 301, the secretary of state shall assess a \$150.00
10 driver responsibility fee each year for 2 consecutive years.
11 However, a driver responsibility fee shall not be assessed under
12 this subdivision for a violation committed on or after October 1,
13 2012.

14 (d) Through September 30, 2012, upon posting an abstract
15 indicating that an individual has been found guilty or determined
16 responsible for a violation listed in section 328, the secretary of
17 state shall assess a \$200.00 driver responsibility fee each year
18 for 2 consecutive years. However, a driver responsibility fee shall
19 not be assessed under this subdivision for a violation committed on
20 or after October 1, 2012.

21 (3) The secretary of state shall send a notice of the driver
22 responsibility assessment, as prescribed under subsection (1) or
23 (2), to the individual by regular mail to the address on the
24 records of the secretary of state. If payment is not received
25 within 30 days after the notice is mailed, the secretary of state
26 shall send a second notice that indicates that if payment is not
27 received within the next 30 days, the driver's driving privileges

1 will be suspended.

2 (4) The secretary of state may authorize payment by
3 installment for a period not to exceed 24 months or, alternatively,
4 the individual may engage in community service under section 732b.

5 (5) Except as otherwise provided under this subsection and
6 section 732b, if payment is not received or an installment plan is
7 not established after the time limit required by the second notice
8 prescribed under subsection (3) expires, the secretary of state
9 shall suspend the driving privileges until the assessment and any
10 other fees prescribed under this act are paid. However, if the
11 individual's license to operate a motor vehicle is not otherwise
12 required under this act to be denied, suspended, or revoked, the
13 secretary of state shall reinstate the individual's operator's
14 driving privileges if the individual requests an installment plan
15 under subsection (4) and makes proper payment under that plan. Fees
16 required to be paid for the reinstatement of an individual's
17 operator's driving privileges as described under this subsection
18 shall, at the individual's request, be included in the amount to be
19 paid under the installment plan. If the individual establishes a
20 payment plan as described in this subsection and subsection (4) but
21 the individual fails to make full or timely payments under that
22 plan, or enters into community service under section 732b but fails
23 to successfully complete that service within the 45-day period
24 allowed, or withdraws from community service with or without good
25 cause shown, the secretary of state shall suspend the individual's
26 driving privileges. The secretary of state shall only reinstate a
27 license under this subsection once. ~~Not later than April 1, 2013,~~

~~the secretary of state shall only reinstate a license under this subsection 3 times.~~

~~— (6) A fee shall not be assessed under this section for 7 points or more on a driving record on October 1, 2003. Points assigned after October 1, 2003 shall be assessed as prescribed under subsections (1) and (2), but subject to subsection (11).~~

(6) ~~(7)~~ A driver responsibility fee shall be assessed under this section in the same manner for a conviction or determination of responsibility for a violation or an attempted violation of a law of this state, of a local ordinance substantially corresponding to a law of this state, or of a law of another state substantially corresponding to a law of this state.

(7) ~~(8)~~ The fire protection fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. The department of licensing and regulatory affairs shall expend money from the fund, upon appropriation, only for fire protection grants to cities, villages, and townships with state-owned facilities for fire services, as provided in 1977 PA 289, MCL 141.951 to 141.956.

(8) ~~(9)~~ The secretary of state shall transmit the fees collected under this section to the state treasurer. The state treasurer shall credit fee money received under this section in each fiscal year as follows:

1 (a) The first \$8,500,000.00 shall be credited to the fire
2 protection fund created in subsection ~~(8)~~. ~~(7)~~.

3 ~~—— (b) For fiscal year 2015, after the amount specified in~~
4 ~~subdivision (a) is credited to the fire protection fund created~~
5 ~~under subsection (8), the next \$1,550,000.00 shall be credited as~~
6 ~~follows:~~

7 ~~—— (i) \$550,000.00 to the department of treasury, distributed as~~
8 ~~follows:~~

9 ~~—— (A) \$500,000.00 for administering the requirements of the~~
10 ~~department of treasury under section 732b.~~

11 ~~—— (B) \$50,000.00 for providing a 1-time-only written notice to~~
12 ~~individuals under section 732b(2) of the option of entering into~~
13 ~~community service as an alternative to paying a driver~~
14 ~~responsibility fee.~~

15 ~~—— (ii) \$1,000,000.00 to the department of state for necessary~~
16 ~~expenses incurred by the department of state in implementing and~~
17 ~~administering the requirements of sections 625k and 625q of the~~
18 ~~Michigan vehicle code, 1949 PA 300, MCL 257.625k and 257.625q.~~

19 ~~Funds appropriated under this subparagraph shall be based upon an~~
20 ~~established cost allocation methodology that reflects the actual~~
21 ~~costs incurred or to be incurred by the secretary of state during~~
22 ~~the fiscal year. However, funds appropriated under this~~
23 ~~subparagraph shall not exceed \$1,000,000.00 during that fiscal~~
24 ~~year.~~

25 ~~—— (c) For fiscal year 2016, after the amount specified in~~
26 ~~subdivision (a) is credited to the fire protection fund created~~
27 ~~under subsection (8), the next \$1,500,000.00 shall be credited as~~

1 follows:

2 ~~—— (i) \$500,000.00 to the department of treasury for~~
 3 ~~administering the requirements of the department of treasury under~~
 4 ~~section 732b.~~

5 ~~—— (ii) \$1,000,000.00 to the department of state for necessary~~
 6 ~~expenses incurred by the department of state in implementing and~~
 7 ~~administering the requirements of sections 625k and 625q of the~~
 8 ~~Michigan vehicle code, 1949 PA 300, MCL 257.625k and 257.625q.~~

9 ~~Funds appropriated under this subparagraph shall be based upon an~~
 10 ~~established cost allocation methodology that reflects the actual~~
 11 ~~costs incurred or to be incurred by the secretary of state during~~
 12 ~~the fiscal year. However, funds appropriated under this~~
 13 ~~subparagraph shall not exceed \$1,000,000.00 during that fiscal~~
 14 ~~year.~~

15 (B) ~~(d)~~ For fiscal year 2017 and for each fiscal year
 16 thereafter, after the amount specified in subdivision (a) is
 17 credited to the fire protection fund created under subsection ~~(8)~~,
 18 (7), the next \$1,000,000.00 shall be credited to the department of
 19 state for necessary expenses incurred by the department of state in
 20 implementing and administering the requirements of sections 625k
 21 and 625q, ~~of the Michigan vehicle code, 1949 PA 300, MCL 257.625k~~
 22 ~~and 257.625q.~~ **AND, FOR FISCAL YEAR 2018 ONLY, THE NEXT \$250,000.00**
 23 **SHALL BE CREDITED TO THE DEPARTMENT OF TREASURY TO IMPLEMENT AND**
 24 **ADMINISTER THE PROGRAM CREATED IN SECTION 732C.** Funds appropriated
 25 under this subdivision shall be based upon an established cost
 26 allocation methodology that reflects the actual costs incurred or
 27 to be incurred by the secretary of state during the fiscal year.

1 However, **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION**, funds
2 appropriated under this subdivision shall not exceed \$1,000,000.00
3 during any fiscal year. **FUNDS APPROPRIATED UNDER THIS SUBDIVISION**
4 **SHALL NOT EXCEED \$1,250,000.00 DURING FISCAL YEAR 2018.**

5 (C) ~~(e)~~ Any amount collected after crediting the amounts under
6 subdivisions (a) ~~through (d)~~ **AND (B)** shall be credited to the
7 general fund.

8 (9) ~~(10)~~ The collection of assessments under this section is
9 subject to section 304.

10 (10) ~~(11)~~ **A SUBJECT TO SUBSECTION (11), A** driver
11 responsibility fee shall be assessed and collected under this
12 section as follows:

13 (a) For an individual who accumulates 7 or more points on his
14 or her driving record beginning on the following dates, a fee
15 assessed under subsection (1) shall be reduced as follows:

16 (i) Beginning October 1, 2015, the assessment shall be 75% of
17 the fee calculated under subsection (1).

18 (ii) Beginning October 1, 2016, the assessment shall be 50% of
19 the fee calculated under subsection (1).

20 (iii) Beginning October 1, 2018, the assessment shall be 25%
21 of the fee calculated under subsection (1).

22 (iv) Beginning October 1, 2019, no fee shall be assessed under
23 subsection (1).

24 (b) A fee assessed under subsection (2) (a) or (b) shall be
25 reduced as follows:

26 (i) For a violation that occurs on or after October 1, 2015,
27 100% of the fee shall be assessed for the first year and 50% for

1 the second year.

2 (ii) For a violation that occurs on or after October 1, 2016,
3 100% of the fee shall be assessed for the first year and no fee
4 shall be assessed for the second year.

5 (iii) For a violation that occurs on or after October 1, 2018,
6 50% of the fee shall be assessed for the first year and no fee
7 shall be assessed for the second year.

8 (iv) For a violation that occurs on or after October 1, 2019,
9 no fee shall be assessed under subsection (2)(a) or (b).

10 **(11) BEGINNING SEPTEMBER 30, 2018, ALL OF THE FOLLOWING APPLY:**

11 **(A) ANY OUTSTANDING DRIVER RESPONSIBILITY FEE ASSESSED UNDER**
12 **THIS SECTION SHALL NOT BE COLLECTED.**

13 **(B) AN INDIVIDUAL IS NOT LIABLE FOR ANY OUTSTANDING DRIVER**
14 **RESPONSIBILITY FEE ASSESSED UNDER THIS SECTION OR RESPONSIBLE FOR**
15 **COMPLETING COMMUNITY SERVICE UNDER SECTION 732B.**

16 **(C) AN INDIVIDUAL WHOSE DRIVING PRIVILEGES WERE SUSPENDED**
17 **UNDER THIS SECTION IS ELIGIBLE TO REINSTATE HIS OR HER OPERATOR'S**
18 **LICENSE IF HE OR SHE IS OTHERWISE IN COMPLIANCE WITH THIS ACT.**

19 (12) It is the intent of the legislature that beginning with
20 the fiscal year ending September 30, 2018, and each fiscal year
21 after that, \$8,500,000.00 shall be appropriated to the fire
22 protection fund created under subsection ~~(8)~~ (7).