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BILL ANALYSIS



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Senate Bills 624 and 625 (as introduced 10-10-17)

Sponsor: Senator Ken Horn

Committee: Michigan Competitiveness

Date Completed: 10-10-17

CONTENT

Senate Bill 624 would amend the Michigan Vehicle Code to provide that, beginning on the bill's effective date, driver responsibility fees (DRFs) could not be assessed against an individual who was convicted of driving after his or her license had been suspended or revoked or his or her license application had been denied, or driving without the required insurance coverage; and to allow an individual to engage in community service or workforce training as an alternative to paying the driver responsibility fee for such a violation.

Senate Bill 625 would amend the Code to require the Department of State to create a workforce training payment program, and require the Department of Treasury to administer it.

The bills are tie-barred. Each bill would take effect 90 days after being enacted.

Senate Bill 624

Section 732a of the Vehicle Code requires the Secretary of State to assess a range of driver responsibility fees for violations of the Code, subject to a schedule that phases out the fees between October 1, 2015, and October 1, 2019. A person who accumulates seven or more points on his or her driving record within two years must be assessed a DRF of \$100, plus \$50 for each point above seven. A DRF of \$1,000 must be assessed each year for two consecutive years if an individual is convicted of specific violations, such as operating under the influence of alcohol or a controlled substance, or fleeing and eluding an officer.

For certain other violations, a DRF of \$500 must be imposed each year for two consecutive years. These violations include reckless driving; driving while impaired; driving in violation of Section 904 of the Code (after the person's license has been suspended or revoked or his or her license application has been denied, or driving without having applied for a license); and operating a motor vehicle or motorcycle without the insurance coverage required by the Insurance Code.

In addition to the driver responsibility fees described above, the Code required the Secretary of State, through September 30, 2012, to assess a DRF of \$150 each year for two consecutive years for driving without a valid license or failing to produce proof of insurance upon the request of a police officer. This DRF could not be assessed for such a violation committed on or after October 1, 2012.

Under Section 732b, if an individual was assessed a DRF for driving without a license or failing to produce proof of insurance, he or she could engage in 10 hours of community service as an alternative to paying the fee or any unpaid portion of it. Community service had to be

completed within 45 days after the application to engage in it was filed with the Department of Treasury. The individual had to obtain a community service form from the Department of State or the Department of Treasury and return it to the Department of Treasury by December 31, 2015. The Department of Treasury then had to notify the Department of State, which was required to hold the individual's DRF in abeyance for 45 days.

After completing community service, the individual could require the person with whom he or she engaged in community service to verify the completion on the form. The person then had to return the form to the Department of Treasury. The Department was required to waive the DRF or any portion of it upon receiving verification of that the individual had successfully completed the community service requirements, and notify the Department of State.

Under the bill, if an individual were assessed a DRF for violating Section 904 of the Vehicle Code (driving with a suspended or revoked license, etc.) or driving without the required insurance coverage, as an alternative to paying the fee or any unpaid portion of it, he or she could engage in 10 hours of community service or 10 hours of participation in a workforce training payment program created under Section 732c (proposed by Senate Bill 625). The provisions applicable to community service would apply to participation in such a program.

The bill would delete the December 31, 2015, deadline for returning a community service form to the Department of Treasury.

Senate Bill 625

The bill would add Section 732c to the Michigan Vehicle Code to require the Department of State to create a workforce training payment program. The Department could work with a local workforce development board, a Michigan Works One-Stop Center, or a training program offered by the Department of Corrections to develop the program.

The Department of Treasury would have to be the administrator of the program.

MCL 257.732a & 257.732b (S.B. 624)
Proposed MCL 257.732c (S.B. 625)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would result in additional costs to the State and Workforce Training Programs. The Department of Treasury would experience administrative costs associated with implementing a workforce training payment program that would work with various local providers to allow individuals to participate in 10 hours of workforce training as an alternative to payment of the driver responsibility fee.

Local workforce training program providers would experience costs associated with training individuals who chose workforce training as an alternative to DRF payments. The bills do not specify how these providers would be compensated for the additional expenses. Providers that base revenue from Temporary Assistance for Needy Families (TANF), Federal Workforce Training, or other funding sources on a per-trainee basis would receive additional revenue to cover those expenses. Though an exact number of the individuals who would decide on the workforce training option is difficult to estimate, it is likely to be similar to the percentage of individuals who enter into payment plans or choose community service.

Fiscal Analyst: Cory Savino

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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.