



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 509 (as reported with amendments)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to require a driver who accumulated seven points on his or her driving record within a two-year period to pay a \$100 driver responsibility fee. For each additional point above seven, the driver would be assessed an additional \$50. The Secretary of State (SOS) would have to collect the fee once each year that the point total was at least seven. Additionally, the SOS would have to assess the following driver responsibility fees each year for two consecutive years, upon the posting of an abstract that an individual was found guilty of any of the following:

\$1,000

- 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 resulted 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.
- Operating a motor vehicle or ORV under the influence of alcohol or a controlled substance (OUIL); 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.

\$500

- OWI.
- Driving with any bodily alcohol content while under the age of 21; or OUIL or OWI with a passenger under 16.
- Reckless driving.
- Driving with a suspended or revoked license or registration certificate.
- Driving a motor vehicle or motorcycle without insurance.

\$150

- Driving without a valid license, or possessing more than one valid driver's license.
- Failing to produce proof of insurance upon request by a police officer, or knowingly providing false evidence of insurance.

The SOS would have to mail notice of the fee to the driver, who would have 60 days to pay the fee before driving privileges were suspended. Only points assigned after the bill's effective date would be assessed. The SOS would be required to transmit the fees to the State Treasurer for deposit into the General Fund.

Proposed MCL 257.732a

Legislative Analyst: Julie Koval

FISCAL IMPACT

Based on data provided by the Department of State for the time period of December 28, 2001, through December 26, 2002, the bill could generate up to \$124.7 million to the State General Fund if 100% of the amount billed were collected. However, the actual amount collected would depend on collection efforts and the ability of assessed individuals to pay. The State of New Jersey has had a similar program since 1984. Collections from amounts billed in the first year amounted to 55.2% of the actual amount billed. In 1996, New Jersey began contracting out collections for its driver responsibility program. According to the New Jersey Department of Motor Vehicles, the collection rate is about 60%, and average collection costs charged by the private collection firm average 12.3%. Based on that information, Senate Bill 509 annually could generate \$68.6 million to \$74.8 million, less any collection costs incurred by the Department of State. The annual amount collected also would vary based on the timing of convictions and the length of time necessary to collect amounts billed. Collections in future years also would depend on the effect that the penalties in the bill could have on driver behavior.

Date Completed: 5-27-03

Fiscal Analyst: Bill Bowerman

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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.