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BILL ANALYSIS

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**House Bill 4221 (as reported without amendment)****Sponsor:** Representative Dick Allen**House Committee:** Transportation**Senate Committee:** State Affairs, Tourism, and Transportation**Date Completed:** 5-5-87**RATIONALE**

A person who drives a motor vehicle without a valid registration is guilty of a misdemeanor carrying a penalty of up to 90 days in jail and/or a fine of up to \$100. Although the courts have relied mainly on the fine to punish offenders, it still pays for some drivers of commercial vehicles not to comply with this law. (A "commercial vehicle" is defined in the Michigan Vehicle Code as a motor vehicle used for the transportation of goods or passengers, and/or used for drawing other vehicles, such as semitrailers.) For example, a truck with a gross vehicle weight of 80,000 pounds, which is typical of most of the trucks on the road, is assessed approximately \$275 for a 90-day license plate tab. This means that a driver would have to be stopped and fined \$100 three times during the 90-day period in order to make purchasing a tab worthwhile. Some believe an increase in the maximum allowable fine would result in a stronger incentive for owners to comply with the law because the cost of fines would outweigh the costs of registering.

**CONTENT**

The bill would amend the Michigan Vehicle Code to establish a maximum fine of \$500, a maximum prison term of 90 days, or both, as the penalty for operating an unregistered commercial vehicle or displaying an illegal registration plate on a commercial vehicle. Otherwise, the maximum penalty would be a \$100 fine and/or 90 days' imprisonment for not displaying a valid registration plate; for operating a vehicle licensed under the international registration plan without a valid registration; or for allowing another person to use illegally a certificate of title, registration certificate, registration plate, special plate, or permit. The bill would take effect after 90 days following its enactment.

MCL 257.255 and 257.256

**FISCAL IMPACT**

The bill would have an indeterminate fiscal impact. Since the penalty is based on individual registration violations, it is difficult to determine the fiscal impact without knowing how many such violations occur over a period of time, e.g., a year. Data on the number of registration violations are not readily available.

**ARGUMENTS****Supporting Argument**

The \$100 maximum fine worked well in an age when registration fees were lower, and the fine sufficed as a deterrent. Registration fees for trucks have nearly doubled in the last 15 years, however, making the \$100 fine obsolete. As long as the maximum fine remains the same,

an increase in commercial vehicle registration fees will only add to the incentive not to register. Thus, an increase in the maximum fine from \$100 to \$500 should bring more commercial haulers into compliance with vehicle registration fees.

**Opposing Argument**

Currently, many judges are charging only 35% (or even less) of the maximum allowable fine per registration violation; therefore, an increase in the maximum fine to \$500 could lead to an average fine of only \$175. For the heaviest trucks, which pay over \$400 for a 90-day tab, there would still be a strong incentive not to comply with the law. For the more common 80,000 pound weight class, there also would remain an incentive not to comply, since one violation would still be considerably cheaper than buying a plate. What is needed is either a message to judges to impose higher fines, or an even greater increase in the maximum allowable fine.

**Response:** It is hoped that the fear of a \$500 fine would deter most commercial vehicle drivers from violating the registration law. Furthermore, there is no way of predicting how judges would respond to the increase in the maximum fine.

Legislative Analyst: B. Baker

Fiscal Analyst: J. Makokha

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.

H.B. 4221 (4-21-87)