

# Legislative Analysis

---



## DRIVER LICENSES: FEDERAL REQUIREMENTS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5802 (Substitute H-1)**  
**Sponsor: Rep. Gene DeRossett**  
**Committee: Transportation**

**Complete to 5-19-04**

### A SUMMARY OF HOUSE BILL 5802 AS REPORTED FROM COMMITTEE

Other than the enacting section of the bill which would repeal Section 314b of the Michigan Vehicle Code (Section 314b currently provides for a 2-year driver's license), the provisions of House Bill 5802 are intended to bring the state of Michigan into compliance with the requirements of the federal Motor Carrier Safety Improvement Act of 1999 (MCSIA). As described more fully below, failure to conform to these federal requirements could result in a loss of federal funds.

The federal Commercial Motor Vehicle Safety Act of 1986 created a national commercial driver's license (CDL) program. According to a National Conference of State Legislature (NCSL) publication, Commercial Motor Vehicles, 2003 State Legislative Update, *"The act made the regulation of interstate commercial motor vehicles more uniform by requiring the states to meet certain standards for CDL testing and licensing, defining specific traffic offenses for commercial drivers, and requiring states to adopt minimum penalties and sanctions for drivers who violate those provisions."*

The Motor Carrier Safety Improvement Act of 1999 (MCSIA) added additional requirements for the CDL program. The NCSL report states that the MCSIA *"created new traffic violations for CDL holders, modified penalties for convictions, amended licensing procedures, and enhanced requirements for keeping records of driver's convictions."*

The federal requirements for state CLD programs are codified in Part 384 of Title 49 of the Code of Federal Regulations (49 CFR).

### **FISCAL IMPACT:**

In July 2002, the Federal Motor Carrier Safety Administration (FMCSA) published final rules implementing the MCSIA. Among other things those rules imposed sanctions on states not in substantial compliance with provisions of the MCSIA. The sanctions (found in Section 350.217 of 49 CFR) include withholding of Motor Carrier Safety Assistance Program (MCSAP) funds, and federal-aid highway funds. Those sanctions are discussed more fully below.

### ***Motor Carrier Safety Assistance Program (MCSAP) grants***

Section 350.217 indicates that a state with a CDL program not in substantial compliance with 49 CFR Part 384 is subject to loss of MCSAP grant funds. Section 384.401 indicates that the withholding of MCSAP funds from a state would start on the first day of the fiscal year following the fiscal year in which the FMCSA determined that the state was not in substantial compliance with 49 CFR Part 384, Subpart B.

MCSAP grants assist states development or implementation of programs for improving motor carrier safety and the enforcement of regulations, standards, and orders of the US Government on commercial motor vehicle safety, and compatible state regulations, standards, and orders. The state of Michigan currently receives approximately \$6.7 million in MCSAP grants, appropriated in the Michigan State Police budget.

### ***Federal-aid Highway Program***

Section 350.217 also indicates that a state with a CDL program not in substantial compliance with 49 CFR Part 384 is subject to loss of certain federal-aid highway funds. Section 384.401 provides for the withholding of 5% of a state's apportionment of federal highway funds from certain program categories (Interstate Maintenance, National Highway System, and Surface Transportation Program) starting on the first day following the first year of non-compliance. In the second and subsequent years of non-compliance, 10% of a state's apportionment of those federal highway program categories could be withheld. Based on FY 2003-04 federal apportionments, a 5% sanction would result in a reduction of federal funds to Michigan of approximately \$14.3 million; a 10% reduction, \$28.6 million

The National Conference of State Legislatures report Commercial Motor Vehicles, 2003 State Legislative Update, can be found at:

<http://www.ncsl.org/programs/transportation/cmveannualrpt03.htm>

The FMCSA rules implementing the MCSIA as printed in the Federal Register Vol. 67, No. 147, Wednesday, July 31, 2002 can be found at:

[http://www.access.gpo.gov/su\\_docs/fedreg/a020731c.html](http://www.access.gpo.gov/su_docs/fedreg/a020731c.html)

Part 384 of 49 CFR can be found at:

[http://www.access.gpo.gov/nara/cfr/waisidx\\_03/49cfr384\\_03.html](http://www.access.gpo.gov/nara/cfr/waisidx_03/49cfr384_03.html)

Fiscal Analyst: William Hamilton

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.