



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 130 (as reported without amendment)  
Sponsor: Senator Dave Hildenbrand  
Committee: Transportation

(as passed by the Senate)

Date Completed: 5-13-11

### **RATIONALE**

Under the Michigan Vehicle Code, a court may notify a person who has failed to answer six or more parking violation notices or citations regarding illegal parking that if he or she does not appear within 10 days, the court will inform the Secretary of State (SOS) of the person's failure to appear. Upon being informed, the SOS may not issue a license to or renew a license for the person until the court informs the SOS that the person has resolved all outstanding matters regarding the notices or citations and has paid to the court a \$45 driver license clearance fee. It has been suggested that the threshold for license denial be lowered from six parking citations to three.

unpaid parking tickets contribute significantly to local budget problems. Reportedly, the City of Grand Rapids is owed more than \$3.0 million in past-due parking fines, and over the last seven years, parking violators have failed to pay approximately \$30.0 million to the City of Detroit. In addition to denying local units the revenue to which they are entitled, those who break parking laws create public safety hazards, increasing the risk of accidents and potentially exposing the local unit to liability. Also, violators can limit parking opportunities for other people trying to visit government buildings or businesses in downtown areas. The bill would help local governments address their budget deficits and foster public safety. In addition, reducing the number of parking citations that triggers a driver license denial could encourage people to address their unpaid tickets while the cost is still manageable, rather than accumulating an unaffordable amount of fines.

### **CONTENT**

The bill would amend the Michigan Vehicle Code to reduce from six to three the number of parking citations that can lead to the denial of a driver license for failure to appear.

The bill would take effect 90 days after it was enacted.

MCL 257.312a

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

**Response:** While people should pay the appropriate penalty for parking violations, failure to do so is sometimes a result of financial hardship rather than deliberate disregard. The bill should include a one-time amnesty program to give violators an opportunity to clear their records before facing the consequence of license denial.

Legislative Analyst: Julie Cassidy

### **Supporting Argument**

Many local units of government are facing drastic revenue shortfalls and must make cuts, often in essential areas such as police and fire services. In some communities,

### **FISCAL IMPACT**

The bill could increase revenue received from the Driver License Clearance Fee to the extent that additional driver licenses were

not issued or renewed. The Department of State reports that, in 2010, over 2,400 hold releases were issued for parking violations. The current allocation of the \$45 fee is as follows: Secretary of State: \$15; Juror Compensation Reimbursement Fund: \$15; and local units of government: \$15.

Fiscal Analyst: Joe Carrasco

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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.