



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

BILL



ANALYSIS

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

Senate Bill 130 (as enacted)
Sponsor: Senator Dave Hildenbrand
Senate Committee: Transportation
House Committee: Judiciary

PUBLIC ACT 13 of 2012

Date Completed: 7-23-12

RATIONALE

Under the Michigan Vehicle Code, a court may notify a person who failed to answer a specific number of 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 paid to the court a \$45 driver license clearance fee. Previously, the threshold for license denial was six parking citations. It was suggested that the number be lowered to three for a period of time.

CONTENT

The bill amended 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. Beginning January 1, 2018, that number will return to six.

The bill took effect on May 16, 2012.

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.)

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, 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 a period of seven years, parking violators 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 will 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 might encourage people to address their unpaid tickets while the cost is still manageable, rather than accumulating an unaffordable amount of fines.

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. Some suggested that a one-time amnesty program could give violators an opportunity to clear their records before facing the consequence of license denial.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill may increase revenue received from the Driver License Clearance Fee to the

extent that additional driver licenses are 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 clearance fee is as follows: Secretary of State: \$15; Juror Compensation Reimbursement Fund: \$15; and local units of government: \$15.

Fiscal Analyst: Joe Carrasco

A1112\S130ea

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.