

# Legislative Analysis

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## DRIVER'S LICENSE COMPACT

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

**House Bill 5542 as introduced**  
**Sponsor: Rep. Jim Runestad**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 6011 as introduced**  
**Sponsor: Rep. Jeffrey R. Noble**

**House Bill 6012 (proposed substitute H-1)**  
**Sponsor: Rep. Steven Johnson**

**Committee: Transportation and Infrastructure**  
**Complete to 6-4-18**

### BRIEF SUMMARY:

House Bill 6011 would authorize the governor, on behalf of the state, to enter into the Driver's License Compact to allow for the sharing of information with other states regarding convictions and other driver record data. House Bills 5542 and 6012 would amend the Motor Carrier Safety Act and Michigan Vehicle Code, respectively, to revise provisions concerning nonresidents who are issued citations under those acts.

Each bill would take effect 90 days after enactment. House Bills 6011 and 6012 are each tie-barred to House Bill 5542, which means that neither can take effect unless HB 5542 is also enacted.

### BACKGROUND INFORMATION:

According to the American Association of Motor Vehicle Administrators, Michigan is currently one of five states that are not members of the Driver License Compact<sup>1</sup> and one of six states that are not members of the Nonresident Violator Compact.<sup>2</sup> The Driver License Compact (contained in HB 6011) deals with criminal convictions for serious traffic offenses such as drunk driving, hit and run accidents, and vehicular manslaughter, as well as other misdemeanor or felony convictions. The Nonresident Violator Compact deals with the issuance of traffic citations to nonresidents and the failure or potential failure to appear for or comply with a summons or citation.<sup>3</sup>

The Driver License Agreement is a compact written by the Joint Executive Board of the Driver License Compact and the Nonresident Violator Compact. It would supersede both of the earlier compacts. Only Arkansas, Connecticut, and Massachusetts are members.<sup>4</sup>

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<sup>1</sup> The other nonmembers of the DLC are Georgia, Massachusetts, Tennessee, and Wisconsin.

<sup>2</sup> The other nonmembers of the NRVC are Alaska, California, Montana, Oregon, and Wisconsin.

<sup>3</sup> <https://www.aamva.org/Drivers-License-Compacts/>

<sup>4</sup> <http://home.trafficresourcecenter.org/~media/Microsites/Files/traffic-safety/IssueBrief9TheDriverLicenseCompact.ashx>

## DETAILED SUMMARY:

**House Bill 6011** would create a new act allowing the governor, on behalf of the state, to enter into the Driver's License Compact to allow for sharing of information among different states regarding convictions, records, driver licenses, withdrawals, and other data relevant to the driver license process.

As used in the compact:

- ***State*** means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.
- ***Home state*** means the state that has issued and has the power to suspend or revoke the license or permit to operate a motor vehicle.
- ***Party state*** means a state that is a party to the compact.
- ***Conviction*** means a conviction of any offense related to the use or operation of a motor vehicle that is prohibited by state law, municipal ordinance, or administrative rule or regulation or a forfeiture of bail, bond, or other security deposited to secure appearance by a person charged with having committed any such offense, which conviction or forfeiture is required to be reported to the licensing authority.

The compact requires the licensing authority of a party state to report each conviction of a person from another party state within its jurisdiction to the licensing authority of the home state of the licensee. The report must clearly identify the person convicted, describe and cite the violation, and indicate whether a plea of guilty or not guilty was entered or the conviction was a result of the forfeiture of bail, bond, or other security.

The licensing authority in the home state—for purposes of suspending, revoking, or limiting a driver license—must give the same effect to the conduct reported above as it would had the conduct occurred in the home state in the case of convictions for:

- Manslaughter or negligent homicide resulting from the operation of a motor vehicle.
- Driving a motor vehicle while under the influence of intoxicating liquor or a narcotic drug, or under the influence of any other drug to a degree that renders the driver incapable of safely driving a motor vehicle.
- Any felony in the commission of which a motor vehicle is used.
- Failure to stop and render aid in the event of a motor vehicle accident resulting in the death or personal injury of another.

For other convictions reported as described above, the licensing authority in the home state must give the effect to the conduct that is provided in the laws of the home state.

Upon receiving an application for a driver license, the licensing authority in a party state must determine whether the applicant holds or has ever held a license issued by any other party state. The licensing authority must not issue a license to the applicant if:

- The applicant has held such a license, but the license has been suspended by reason of a violation and the suspension period has not ended.

- The applicant has held such a license, but the license has been revoked by reason of a violation. However, beginning one year after the date the license was revoked, the individual may apply for a new license if allowed by law. The licensing authority may refuse to issue a license to such an applicant if, after investigation, it determines that it will not be safe to grant him or her the privilege of driving a motor vehicle on the public highways.
- The applicant holds such a license, and the license is currently in force, unless the applicant surrenders such license.

The head of the licensing authority of each party state is the administrator of the compact for his or her state. The administrators, acting jointly, have the power to formulate all necessary and proper procedures for the exchange of information under the compact. Also, the administrator of each party state must furnish to the administrator of any other party state any information reasonably necessary to facilitate administration of the compact.

Any party state can withdraw from the compact by enacting a statute repealing it, but the withdrawal cannot take effect until six months after the executive head of the withdrawing state has given notice of the withdrawal to the executive heads of all other party states.

The compact does not affect the right of any party state to apply any of its other laws relating to licenses to drive to any person or circumstance and does not invalidate or prevent any driver license agreement or other cooperative arrangement between a party state and a nonparty state. The compact's provisions are severable: if any provision is found to be unconstitutional or inapplicable to any person or circumstance, the validity of the rest of the compact or its applicability is not affected.

**House Bill 5542** would amend the Motor Carrier Safety Act to remove the requirement that a nonresident of this state must post security when issued a citation under the act.

Currently under the act, when an individual who is not a Michigan resident is stopped for a state civil infraction, the police officer making the stop must take security to guarantee the nonresident's appearance in court. The security can be in the form of a ***guaranteed appearance certificate*** or a sum of money of up to \$100.

A ***guaranteed appearance certificate*** is a card or certificate stating that a surety company that can do business in Michigan guarantees the individual's appearance in court and that, if the individual fails to show for a scheduled hearing or fails to pay any fine or costs imposed, the company will pay up to \$200 to cover the fine, costs, or bond forfeiture imposed on the individual.

If a magistrate is available for an immediate appearance, upon the nonresident driver's demand, the officer must take him or her before the magistrate. If a hearing is scheduled at the driver's request, the security is left with the court.

The act contains related provisions regarding such things as how the officer is to handle money given as security and the forfeiture of the security if the individual doesn't appear for a hearing or as required in the citation.

House Bill 5542 would eliminate the requirement that nonresidents must post security when stopped for a state civil infraction under the act, and all of the provisions related to that requirement, and specify instead that a state civil infraction under the act must be enforced as is generally provided in Chapter 88 (State Civil Infractions) of the Revised Judicature Act.

MCL 480.11a and 480.24

House Bill 6012 would amend the Michigan Vehicle Code to revise its treatment of nonresident motorists.

Currently under the Code, the Secretary of State may suspend, deny, or revoke the right of a nonresident to operate a motor vehicle in this state for a cause for which the license of a resident driver may be suspended, denied or revoked. A nonresident who drives on a highway when the privilege to drive has been revoked, suspended, or denied is guilty of a misdemeanor.

House Bill 6012 would require the Secretary of State, upon receiving a record of a violation by a nonresident, to notify the motor vehicle administration or other appropriate officer of the state where the nonresident is licensed of that violation. The notification would have to be given no later than 6 months after the date the citation was issued. However, the provision would not apply unless the governor has entered into an interstate compact requiring the notification.

In addition, HB 6012 also specifies that the Secretary of State would be required to suspend a license, upon receiving notice of the license holder's failure to comply with a citation issued by another state, until the Secretary of State receives satisfactory evidence of compliance from the other state. This section also would not apply unless the governor has entered into an interstate compact requiring the suspension.

(Under both of the provisions described above, the Secretary of State could only share the relevant information with a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.)

Under current law, when a nonresident is stopped for a civil infraction, the police officer is required to take the person's operator's license as security for his or her appearance in court and satisfaction of any order that may be issued.

The bill would require the police officer making the stop to issue that person a citation as specified in the Code. The officer would have to release the nonresident on his or her personal recognizance.

Upon demand of the person stopped, the officer would have to take him or her before a magistrate, if one were available for an immediate appearance, to answer to the alleged civil infraction. If the nonresident requested a formal hearing, the hearing would be scheduled as provided in the Code.

If the person released on his or her own personal recognizance failed to appear as required for a scheduled formal hearing, the court having jurisdiction and venue over the civil infraction would have to enter a default judgment against him or her.

MCL 257.317, 257.318, and 257.749

## **FISCAL IMPACT:**

### **House Bill 6011**

The bill would have an undetermined impact on costs for the Department of State (DOS) to implement and administer the compact. DOS may incur technology start-up costs to incorporate the information sharing requirements of the compact throughout its central and branch operations. As the state's licensing authority, DOS may also be responsible for paying all or a portion of the annual dues to fund the administration of the compact in the first fiscal year following entry into the compact.

The bill would not have a fiscal impact on the Department of State Police or local law enforcement agencies.

### **House Bill 5542**

The elimination of the requirement that a nonresident charged with a civil infraction provide a security deposit, not to exceed \$100, could result in a reduction of fine revenue, the extent of which would be determined by the number of non-state residents being charged with civil infractions and not appearing in court—thereby forfeiting the provided security deposit. The bill could result in nominal cost savings for the Department of State Police and local law enforcement agencies by removing the requirement that law enforcement personnel transmit collected security deposits to the court in the applicable jurisdiction, thereby reducing administrative costs by an indeterminate, though likely nominal, amount.

A reduction in civil infraction revenues would reduce funding going into the state Justice System Fund, which supports various justice-related endeavors in the judicial branch, the Departments of State Police, Corrections, Health and Human Services, and Treasury, and the Legislative Retirement System.

### **House Bill 6012**

The bill would provide for nominal administrative cost savings for the Department of State Police and local law enforcement agencies, resulting from the elimination of the requirement that officers seize operator's licenses, under the provisions of this act, and transmit them to the court within the jurisdiction upon the end of the officers' duties.

The bill’s estimated fiscal impact on the Department of State (DOS) is not yet determined, but the bill could result in a marginal annual increase in revenue from driver license reinstatement fees due to an expected slight increase in license suspensions. Under the bill, Michigan drivers who either fail to pay or properly respond to notices of traffic violations in other states, or who are convicted of violations that call for the suspension of a driver’s license in another state, will have their Michigan driver’s license suspended according to the provisions of the compact. To reinstate a Michigan driver’s license, an individual must submit a \$125 reinstatement fee to the Secretary of State. DOS collected approximately \$6.2 million in reinstatement fees in Fiscal Year 2016-17. The Department of Transportation, the Department of State Police, and the Judiciary would also receive a portion of the potential minor increase in reinstatement fees. A standard reinstatement fee is distributed to four State of Michigan departments, as shown below in Table 1.

**Table 1**  
**Distribution of \$125 Standard License Reinstatement Fee Revenue**

<b>Department</b>	<b>Amount</b>	<b>Fund</b>	<b>Description</b>
Secretary of State (SOS), State	\$50	Reinstatement Fees	Supports various operations within the Secretary of State.
Transportation (MDOT)	\$35	Economic Development Fund	Funds highway, road, and street projects that support economic growth.
Judiciary	\$30	Drunk Driving Fund	Funds the drunk driving case-flow program which assists trial courts with timely disposition of drunk driving offense cases.
State Police (MSP)	\$10	Drunk Driving Prevention and Training Fund	Supports the purchase and maintenance of breath-alcohol testing equipment and training to law enforcement officers on using the equipment.

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