



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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Senate Bill 609 (Substitute S-1 as passed by the Senate)  
Senate Bill 610 (Substitute S-2 as passed by the Senate)  
Senate Bill 611 (Substitute S-1 as passed by the Senate)  
Senate Bill 612 (Substitute S-1 as passed by the Senate)  
Senate Bill 613 (Substitute S-1 as passed by the Senate)  
Senate Bill 614 (Substitute S-1 as passed by the Senate)  
Senate Bill 615 (Substitute S-1 as passed by the Senate)  
Senate Bill 624 (Substitute S-1 as passed by the Senate)  
Senate Bill 625 (Substitute S-1 as passed by the Senate)

Sponsor: Senator Dave Hildenbrand (S.B. 609)  
Senator Curtis Hertel (S.B. 610)  
Senator Wayne Schmidt (S.B. 611)  
Senator Judy K. Emmons (S.B. 612)  
Senator Rick Jones (S.B. 613)  
Senator Margaret E. O'Brien (S.B. 614)  
Senator David Knezek (S.B. 615)  
Senator Ken Horn (S.B. 624 & 625)

Committee: Michigan Competitiveness

Date Completed: 11-3-17

**RATIONALE**

In 2003, Michigan enacted legislation to impose "driver responsibility fees" on motorists who accumulate seven or more points within two years on their driving record; commit serious moving offenses, such as driving while intoxicated; or commit certain other violations, such as driving without a license. Depending on the offense, the driver responsibility fees (DRFs) range from \$100 to \$1,000 and, for specific violations, originally had to be imposed each year for two consecutive years. If a person fails to pay his or her fees after the Secretary of State mails two notices of the assessment, the person's driving privileges will be suspended.

When the DRFs were established, Michigan was said to rank fourth in the nation for fatalities resulting from traffic accidents. Reportedly, over the previous eight years, more than 1,800 people had died in crashes caused by drivers whose records contained moving violations, serious accidents, drunk driving convictions, or license suspensions. Since many offenders were punished by a fine and continued to drive, it was suggested that more severe financial consequences would change drivers' behavior. Subsequently, however, it became apparent that the fees were creating a serious hardship for many people who could not afford to pay them, leaving these individuals without a license to drive to work or elsewhere. In addition, although the fees were promoted as a way to improve traffic safety, evidently the most frequent assessments are related to driving without insurance or with a suspended license.

To address these concerns, amendments were enacted in 2014 to phase out the assessment of new driver responsibility fees, with no new fees being imposed after September 30, 2019. The legislation also eliminated DRFs for driving without a license or failing to provide proof of insurance, and allowed people to perform community service instead of paying the fee, if they had been assessed a DRF for those particular violations. Despite these changes, the fees are still said to be a barrier to employment, burdening those who can least afford to pay them, and are seen as a second punishment. It is widely believed that the phase-out should be accelerated, liability for

some DRFs that already have been imposed should be eliminated, and license suspension should be discontinued. (The **BACKGROUND**, below, describes the DRF amounts.)

## **CONTENT**

**All of the bills, except Senate Bill 613 (S-1), would amend the Michigan Vehicle Code to discontinue the assessment of, and phase out liability for, driver responsibility fees on or after October 1, 2018, as follows:**

**Senate Bill 609 (S-1) provides that, beginning September 30, 2018, a DRF that had been outstanding for six years or more could not be collected, and an individual would not be liable for a DRF that had been outstanding for six years or more. The bill also would allocate \$250,000 to the Department of Treasury in fiscal year 2017-18 for a proposed workforce training payment program.**

**Senate Bill 610 (S-2) would require the Department of Treasury to educate individuals whose DRF obligations were affected by changes made to the law on the bill's effective date.**

**Senate Bill 611 (S-1) would allow a person to engage in 10 hours of community service instead of paying the fee if he or she were assessed a DRF for accumulating seven or more driving record points in two years, driving with a suspended or revoked license, or driving without mandatory insurance coverage.**

**Senate Bill 612 (S-1) would discontinue the assessment of DRFs beginning October 1, 2018, rather than October 1, 2019.**

**Senate Bill 613 (S-1) would amend the Enhanced Driver License and Enhanced Official State Personal Identification Card Act to delete the assessment of DRFs from licensing sanctions that may be imposed on the holder of an enhanced driver license.**

**Senate Bill 614 (S-1) would waive the DRFs for a person whose participation in a DWI/sobriety court program was successfully completed on or after October 1, 2018.**

**Senate Bill 615 (S-1) would delete provisions under which an individual's driving privileges will be suspended if he fails to pay a DRF; and would allow an individual whose driving privileges had been suspended to reinstate his or her license.**

**Senate Bill 624 (S-1) would prohibit the assessment of DRFs, beginning on the bill's effective date, for driving with a suspended or revoked license, or driving without the required insurance coverage. The bill also would allow an individual to engage in 10 hours of community service or workforce training as an alternative to paying a DRF for either of those violations or for accumulating seven or more driving record points in two years.**

**Senate Bill 625 (S-1) would require the Department of Treasury to create and administer a workforce training payment program.**

Senate Bills 624 (S-1) and 625 (S-1) are tie-barred.

Senate Bills 615 (S-1) and 624 (S-1) would take effect 90 days after enactment.

### **Senate Bill 609 (S-1)**

The bill provides that, beginning September 30, 2018, both of the following would apply:

- An assessed DRF that had outstanding for six years or more could not be collected.

- An individual who was assessed a DRF would not be liable for a fee that had been outstanding for six years or more and would not be responsible for completing community service.

The Vehicle Code requires the Secretary of State to transmit collected driver responsibility fees to the State Treasurer, and requires the first \$8.5 million to be credited each fiscal year to the Fire Protection Fund. The next \$1.0 million must be credited to the Department of State for its expenses in implementing and administering Sections 625k and 625q (which concern breath alcohol ignition interlock devices).

Under the bill, for fiscal year 2017-18 only, the next \$250,000 would have to be credited to the Department of Treasury to implement and administer the workforce training payment program (which is proposed by Senate Bill 625 (S-1)).

### **Senate Bill 610 (S-2)**

The bill would require the Department of Treasury, in consultation with the Department of State, the Department of Health and Human Services, the Department of Corrections, the Unemployment Insurance Agency, and Michigan Works Agencies, to educate individuals whose driver responsibility fee obligations were affected by changes made to State law on the bill's effective date. The education would have to consist of informational materials and effective outreach.

### **Senate Bill 611 (S-1)**

Previously, the Code required the Secretary of State to assess a DRF of \$150 each year for two consecutive years for driving without a valid license or failing to produce proof of insurance upon the request of a police officer. A DRF could not be assessed for such a violation committed on or after October 1, 2012. A person who had been assessed a DRF for either of these violations was permitted to engage in 10 hours of community service as an alternative to paying any unpaid portion of the fee.

Under the bill, an individual would be permitted to engage in 10 hours of community service as an alternative to paying the fee or any unpaid portion of it, if he or she had been assessed a DRF for accumulating seven or more driving record points within two years, violating Section 904 of the Code, or driving without the insurance mandated by the Insurance Code. (Section 904 prohibits a person from operating a vehicle if his or her license or registration certificate has been suspended or revoked, if his or her license application has been denied, or if he or she never applied for a license.)

### **Senate Bill 612 (S-1)**

The driver responsibility fee for an individual who accumulates seven or more points on his or her driving record within two years is \$100, plus an additional \$50 for each point above seven (except for points assessed for specific violations). Under the current phase-out schedule, the assessment must be the following percentage of the DRF:

- 75% beginning on October 1, 2015.
- 50% beginning on October 1, 2016.
- 25% beginning on October 1, 2018.

Beginning October 1, 2019, no fee may be assessed for accumulating seven or more points within two years. The bill would delete the 25% assessment that begins October 1, 2018, and provides that no DRF could be assessed beginning on that date.

For the specific violations that are subject to DRFs, the fees must be assessed as follows:

- For a violation occurring on or after October 1, 2015, 100% for the first year and 50% for the second year.

- For a violation occurring on or after October 1, 2016, 100% for the first year and no fee for the second year.
- For a violation occurring on or after October 1, 2018, 50% for the first year and no fee for the second year.

No DRF may be assessed for a violation that occurs on or after October 1, 2019. Under the bill, no DRF could be assessed for a violation occurring on or after October 1, 2018.

#### **Senate Bill 613 (S-1)**

The Enhanced Driver License and Enhanced Official State Personal Identification Card Act specifies that the holder of an enhanced driver license is subject to every licensing sanction provided under the Michigan Vehicle Code. The definition of "licensing sanction" includes the assessment of a driver responsibility fee. Under the bill, the definition would include the assessment of a DRF until October 1, 2018.

#### **Senate Bill 614 (S-1)**

The Vehicle Code requires the Secretary of State to issue a restricted license to a person whose license was suspended or revoked based on certain convictions of driving under the influence of alcohol or a controlled substance, if the person has been admitted into a DWI/sobriety court and other conditions are met. All driver responsibility fees required to be assessed for the conviction must be held in abeyance while the person is participating in the program. At the end of the person's participation, the DRFs must be assessed and paid under the payment schedule described in the Code.

Under the bill, if the person's participation in the DWI/sobriety court program were successfully completed on or after October 1, 2018, the DRFs would be waived and could not be collected.

#### **Senate Bill 615 (S-1)**

Currently, the Secretary of State (SOS) is required to send a notice of a driver responsibility fee to the assessed individual. If payment is not received within 30 days after the date the notice is mailed, the SOS must send a second notice indicating that, if payment is not received within the next 30 days, the person's driving privileges will be suspended. The bill would delete this language, as well as provisions under which the SOS must suspend driving privileges until the assessment is paid if payment is not received or an installment plan is not established after the time limit required by the second notice. The bill also would delete a requirement that the SOS suspend driving privileges if a person establishes a payment plan but fails to make payments, or fails to successfully complete community service.

The bill would retain language permitting the SOS to authorize payment by installment for up to 24 months or to engage in community service.

Beginning on the bill's effective date, an individual whose driving privileges were suspended under current law would be eligible to reinstate his or her operator's license if the person were otherwise in compliance with the Code.

#### **Senate Bill 624 (S-1)**

Beginning on the bill's effective date, no DRF could be assessed against an individual for violating Section 904 of the Vehicle Code (driving with a suspended or revoked license) or driving without the mandatory coverage required by the Insurance Code.

If an individual had been assessed a DRF for either of these violations, or for accumulating seven or more driving record points in two years, he or she could engage in 10 hours of community service or 10 hours of participation in a workforce training payment program as an alternative to

paying that fee or any unpaid portion of it. The individual would have to obtain a community service or workforce training form from the SOS or the Department of Treasury. The Department would have to mail to each affected individual a one-time-only notice of this option. The SOS would have to make community service and workforce training forms available to the public at all branch offices, and provide forms to the Department of Treasury for this purpose.

An individual who chose to engage in community service or workforce training would have to complete the form and return it to the Department of Treasury, which would have to inform the SOS. The SOS then would have to hold the DRF in abeyance. An individual would be allowed only one opportunity to complete the community service or workforce training, but the Department could allow someone to withdraw from it for good cause shown.

Upon completing community service or workforce training, an individual could request the person with whom he or she engaged in the service or training to verify the completion on the community service or workforce training form. The individual then could return the form to the Department of Treasury. A person who falsely represented verification would be responsible for a State civil infraction and could be fined up to \$200.

The Department would have to waive the DRF or any portion of it upon receiving verification that an individual had successfully completed community service or workforce training, and notify the Department of State.

**Senate Bill 625 (S-1)**

The bill would require the Department of Treasury to create, and be the administrator of, a workforce training payment program. The Department could work with a local workforce development board, a Michigan Works One-Stop Center, or a training program offered by the Department of Corrections to develop the program.

- MCL 257.732a (S.B. 609)
- Proposed MCL 257.732d (S.B. 610)
- MCL 257.732b (S.B. 611)
- 257.732a (S.B. 612)
- 28.304 (S.B. 613)
- 257.304 (S.B. 614)
- 257.732a (S.B. 615)
- 257.732a & 257.732b (S.B. 624)
- Proposed MCL 257.732c (S.B. 625)

**BACKGROUND**

Table 1 lists the driver responsibility fees enacted in 2003. As discussed above, the DRFs are being phased out and no new fees will be assessed beginning October 1, 2019.

Violation resulting in Fee	Amount of Fee
Accumulation of 7 or more points within two years	\$100 plus \$50 for each point above 7 (except for a violation subject to a higher DRF)
Driving without a valid license or possessing more than one driver license*	\$150 each year for two consecutive years
Failing to produce proof of insurance upon request by a police officer, or knowingly providing false evidence of insurance*	\$150 each year for two consecutive years
Operating a motor vehicle while visibly impaired due to the consumption of alcohol or a controlled substance	\$500 each year for two consecutive years

Driving with any bodily alcohol content, if under the age of 16	\$500 each year for two consecutive years
Operating while visibly impaired or intoxicated with a passenger under 16	\$500 each year for two consecutive years
Reckless driving	\$500 each year for two consecutive years
Driving with a suspended or revoked license	\$500 each year for two consecutive years
Driving a motor vehicle or motorcycle without insurance	\$500 each year for two consecutive years
Manslaughter, negligent homicide, or a felony resulting from the operation of a motor vehicle, off-road vehicle, or snowmobile	\$1,000 each year for two consecutive years
A moving violation subject to criminal penalties that results in injury or death to a person working in a construction zone or operating an implement of husbandry; or causing injury or death to a police officer, firefighter, or other emergency response personnel in the immediate area of a stationary emergency vehicle	\$1,000 each year for two consecutive years
Operating while intoxicated; or causing the death or serious impairment of a body function of another person while driving under the influence or while visibly impaired due to the consumption of alcohol or a controlled substance	\$1,000 each year for two consecutive years
Failing to stop and disclose identity at the scene of an accident when required by law	\$1,000 each year for two consecutive years
Fleeing or eluding an officer	\$1,000 each year for two consecutive years
*Not applicable after September 30, 2012	

## **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**

Although driver responsibility fees originally were promoted as a way to increase traffic safety and save lives, the fees are a tax upon a fine and amount to double punishment. They have a disproportionate impact on individuals least able to pay and create a barrier to employment. When someone is assessed a DRF and cannot afford to pay it, and therefore loses his or her driver license, that person may have no way to get to and from his or her job, to a training program or an interview, or to classes. This in turn prevents the person from earning income that would help pay the fee. In many communities, where public transportation is unavailable or unreliable, the loss of mobility also can impede someone's ability to get to a grocery store or a doctor's office.

Rather than punishing drivers who commit serious violations, or keeping them off the streets, driver responsibility fees are most commonly assessed for infractions that have little relation to traffic safety. One of these is driving without insurance, which again has the greatest impact on the poorest residents because they cannot afford Michigan's high insurance rates. The other common violation resulting in DRFs is driving with a suspended or revoked license--which might be a direct consequence someone's inability to pay the fees and the lack of other transportation options. In addition, the assessment of DRFs for accumulated points may have little to do with traffic safety. A driver can be assessed two points for driving five miles over the speed limit, for example, in addition to receiving a stiff fine. If this occurs more than three times in a two-year period, a DRF will be imposed and the person might end up losing his or her license--over nothing more than minor speeding violations.

Although DRFs already are being phased out due to amendments enacted in 2014, and are no longer imposed for driving without a license or failing to show proof of insurance, many people are still burdened by the fees that have already been assessed and their licenses remain suspended. Approximately 317,000 drivers in Michigan owe a total of \$594.0 million driver responsibility fees, according to Detroit at Work, a program launched by the City of Detroit. The average assessment is reported to be \$1,876. On top of the original fines, this fee can be virtually impossible for a low-income or unemployed person to pay. The loss of driving privileges adds immeasurably to the penalty and the hardship.

The bills would alleviate this situation in several key ways: DRFs that were outstanding for six years or more could not be collected. Driver licenses could no longer be suspended for failure to pay DRFs, and someone whose license had been suspended would be eligible for reinstatement. Fees could no longer be assessed for driving with a suspended license or without insurance. No new DRFs could be assessed for any violation after October 1, 2018, instead of a year later. A person could perform 10 hours of community service or workforce training instead of paying the DRF for accumulating driving record points, driving with a suspended or revoked license, or driving without insurance.

These changes would provide immediate relief to individuals whose license has been suspended because they could not pay the DRFs, and to those who fees have been unpaid for at least six years. The legislation also would accelerate the elimination of a sanction that is unfair and has caused misery to hundreds of thousands of Michigan residents. In addition, by allowing individuals to regain their driving privileges, the bills could lead to economic activity and revenue growth. People again would have the means to drive to and from jobs, which would generate income tax revenue, enable the individuals to make purchases that would be subject to the sales tax, and fill positions for employers that need workers.

**Response:** The introduced version of Senate Bill 612 would have eliminated liability for all DRFs that had been assessed, rather than only those that were outstanding for six or more years. The original approach would go much farther to relieve the harmful impact of an unjust punishment, and remove the debt that burdens so many individuals. Although driving privileges could no longer be suspended, the Department of Treasury still could collect fees that have been outstanding for less than six years, as well as new fees that could be imposed until October 1, 2018.

Revenue from a fee that is acknowledged to be unfair should not be used to help balance the State's budget, at the expense of individuals who should not have been subjected to the sanction in the first place.

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

### **Senate Bills 609 (S-1) through 615 (S-1)**

This package of bills would eliminate the assessment of all driver responsibility fees beginning October 1, 2018. Additionally, individuals who were assessed a DRF, that had been assessed at least six or more years before October 1, 2018, would no longer be liable for the fee or required to complete community service in place of paying the DRF. All individuals whose driving privileges had been suspended for nonpayment of DRFs would become eligible for reinstatement of their driver license if they were otherwise in compliance with the Vehicle Code.

According to the Department of Treasury, there currently are an estimated 317,000 drivers who owe driver responsibility fees to the State who are in default. Based on the data, the outstanding DRF collectable fees at the end of fiscal year (FY) 2016-17 totaled an estimated \$630.3 million. An estimated \$304.4 million (or 48%) of that total debt is at least six years old and thus would be forgiven on October 1, 2018.

The most recent estimates show that almost 201,000 assessments were issued in FY 2015-16, totaling \$106.9 million in DRF fees assessed for FY 2015-16. Additionally, an estimated 15,000 individuals have chosen to complete community service in lieu of paying the DRF, resulting in the forgiveness of an estimated \$2.0 million annually. The history of collections indicates that payments received in a given fiscal year come primarily from current assessments and those assessed within the past two years of that fiscal year, with the average collection rate of 55% for all DRF debt since the fees began in 2003, meaning that of all DRFs assessed, about 55% of that debt is eventually paid and collected.

Based on those estimates, the May 2017 Consensus Revenue Estimating Conference estimated the amount of DRF revenue to be collected in FY 2016-17 at \$71.0 million. Actual collections for FY 2016-17 total \$69.2 million. The amount of collections for FY 2017-18 was estimated at \$52.0 million. Current law requires the first \$8.5 million of collections to be deposited into the Fire Protection Fund to provide grants to local units of government (as discussed below). Thus, under current law, the amount of DRF revenue deposited into the State's General Fund in FY 2017-18 would be an estimated \$43.5 million.

Due to the timeline of the eventual elimination of the DRFs and the proposal to eliminate outstanding debt only if it is six years old or older, the amount of the fees assessed between the bills' enactment and October 1, 2018, that would actually be paid is indeterminate. According to the data from the Department of Treasury, current revenue collected from DRFs primarily consists of collections from people who receive a DRF and pay the total within 90 days, people who enter into a payment plan (representing an estimated \$20.0 million in FY 2016-17), and offsets captured from State income tax refunds or other payments to pay off old DRF debt (an estimated \$19.0 million in FY 2016-17).

Based on these figures and the best estimate of how much revenue would go uncollected as people simply waited until October 1, 2018, when all DRF fees six years old or older would be forgiven, it is estimated that the loss in revenue for FY 2017-18 would be \$14.6 million. This figure is derived from an estimated \$3.6 million decrease that would go uncollected from new fees assessed between the bills' enactment and October 1, 2018 (estimating that a total \$8.0 will be assessed and assuming that 45% is not collected); \$2.0 million in lost revenue that would be forgiven from those choosing to do community service; and an estimated \$9.0 million in lost revenue from payment plans entered into after the bills were enacted. The \$9.0 million figure is based on the provision that would allow the reinstatement of a person's driver license regardless of whether the DRFs had been paid upon enactment of the bills. Assuming that most of the total \$20.0 million in current payment plan revenue is from individuals who have been issued a DRF within the most recent two years, and that people would be eligible to reinstate their driver license upon the bills' enactment, and because DRF debt would not be forgiven until the debt was at least six years old, based on historical data that on average only 55% of DRF debt is eventually collected, it is estimated that \$9.0 million in payment plan revenue would not be collected ( $\$20.0 \text{ million} \times 45\% = \$9.0 \text{ million}$ ).

Based on May 2017 Consensus Revenue Estimating Conference figures and Department of Treasury estimates, the amount of revenue estimated to be collected under current law is \$34.0 million in FY 2018-19 (after which no new DRFs may be assessed); \$16.5 million in FY 2019-20; and \$10.0 million in FY 2020-21. Based on the assumptions discussed above, the amount of revenue estimated to be collected under the bills would be \$23.0 million in FY 2018-19; \$5.5 million in FY 2019-20; and close to zero in FY 2020-21. Additionally, from those amounts, the first \$8.5 million would go for Fire Protection Grants, the next \$1.0 million to the Department of State, and the remainder to the General Fund. Beginning in FY 2019-20, it is estimated that funds would no longer be available to make the full deposit into the Fire Protection Fund and no funds would be left for the Department of State.

Beginning in FY 2019-20, the Department of State would lose the current \$1.0 million annual appropriation from the DRFs collected that is used by the Department for costs associated with



administering the Breath Alcohol Ignition Interlock Device (BAIID) program. While the Department has spent nearly the full \$1.0 million each year, it has indicated that the costs are decreasing and could be absorbed within the Department's annually appropriated budget.

Additionally, the Departments of State, Transportation, and State Police, and the Judiciary would see an increase in revenue from the reinstatement fee of \$125 charged to each person who would become eligible to renew his or her driver license and did so. The amount of revenue is indeterminate and dependent on how many of the estimated 317,000 individuals who are currently in default in DRF payments have had their license revoked and would be eligible. Senate Bill 615 (S-1) would allow a person's driver license to be reinstated upon the bill's effective date if the person were otherwise in compliance with the Michigan Vehicle Code. If half of those 317,000 became eligible to reinstate their driver license, and did so, the amount of revenue generated from the \$125 reinstatement fee would total an estimated \$19.8 million. Based on the current-law distribution of those fees, the Department of State would receive an estimated \$7.9 million; the Department of Transportation would receive an estimated \$5.5 million; the Judiciary would receive an estimated \$4.8 million; and the Michigan State Police would receive an estimated \$1.6 million. Table 2 below details the breakdown of the distribution of the fees to the Departments of State, Transportation, State Police, and the Judiciary.

Table 2

<b>Distribution of Revenue from the \$125 Driver License Reinstatement Fee</b>			
<b>Department</b>	<b>Amount Received</b>	<b>Fund into which Deposited</b>	<b>Description of Use of Funds</b>
State	\$50	Reinstatement Fees	Supports various activities in the Dept. of State
Transportation	\$35	Economic Development Fund	Funds highway, road, and street projects resulting from economic development
Judiciary	\$30	Drunk Driving Fund	Funds the drunk driving case-flow program to assist trial courts in the disposition of drunk driving cases
State Police	\$10	Drunk Driving Prevention and Training Fund	Supports the purchase and maintenance of breath-alcohol testing equipment and training on its use

As noted above, under current law, the first \$8.5 million in revenue collected from DRFs is deposited into the Fire Protection Fund created in the State Treasury. The money in the Fund is then spent via fire protection grants to cities, villages, and townships with State-owned facilities for fire services. Once all DRFs were no longer issued or collected (estimated to be no later than October 1, 2024, based on the bills' provisions), there would no longer be any funding available for the deposit of \$8.5 million into the Fire Protection Fund. Although there is a provision in the Vehicle Code that states legislative intent to appropriate \$8.5 million annually to the Fire Protection Fund, unless the revenue was replaced with another revenue stream or General Fund/General Purpose dollars, those grants to local units of government would be eliminated.

In FY 2017-18, the Department of Treasury would receive a \$250,000 appropriation under Senate Bill 609 (S-1) in order to cover the cost of implementing and administering the proposed workforce training payment program. The Department would see continued decreases in the amount of DRF collections, which would lower the amount of expenses at the collection division and contractors who are paid an 8.13% collection incentive fee, which is charged in addition to the amount of the DRF an individual owes.

**Senate Bills 624 (S-1) & 625 (S-1)**

The bills would result in additional costs to the State and Workforce Training Programs. The Department of Treasury would experience administrative costs associated with implementing a

workforce training payment program that would work with various local providers to allow individuals to participate in 10 hours of workforce training as an alternative to payment of the driver responsibility fee.

Local workforce training program providers would experience costs associated with training individuals who chose workforce training as an alternative to DRF payments. The bills do not specify how these providers would be compensated for the additional expenses. Providers that base revenue from Temporary Assistance for Needy Families (TANF), Federal Workforce Training, or other funding sources on a per-trainee basis would receive additional revenue to cover those expenses. Though an exact number of the individuals who would decide on the workforce training option is difficult to estimate, it is likely to be similar to the percentage of individuals who enter into payment plans or choose community service.

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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.