

Legislative Analysis



BLOOD ALCOHOL IGNITION INTERLOCK DEVICES

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

House Bill 4638 as introduced
Sponsor: Rep. Tim Sneller
Committee: Transportation
Complete to 5-3-21

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

SUMMARY:

House Bill 4638 would amend the Michigan Vehicle Code to require blood alcohol ignition interlock device (BAIID) manufacturers to pay certain fees; to create the BAIID Fee Fund and provide for its administration and expenditure; and to provide that an individual convicted of certain offenses cannot be a BAIID service center owner under the act.

The bill would allow the Department of State (DOS) to assess a BAIID manufacturer seeking certification of a device in Michigan a nonrefundable, reasonable application fee of up to \$3,000. In addition, the bill would require DOS to assess administrative, renewal, and other fees necessary to fund the certification and inspection of ignition interlock devices. The fees would have to be credited to the BAIID Fee Fund created under the bill.

The bill would create the BAIID Fee Fund in the state treasury. The state treasurer could receive money or other assets from any source for deposit into the fund and would direct the investment of the fund, crediting to it interest and earnings from those investments. Money in the fund at the close of the fiscal year would remain in the fund and not lapse to the general fund. DOS would be the administrator of the fund for auditing purposes.

DOS could expend money from the fund, upon appropriation, only for one or more of the following purposes:

- To fund the costs for approval and inspection of manufacturers or BAIID service centers.
- To fund the costs for certification and inspection of ignition interlock devices.
- To fund any other BAIID program cost.

Finally, under the bill, an applicant would not be eligible for approval as a BAIID service center owner if he or she had been convicted of an alcohol-related driving offense or any offense classified as a felony in Michigan or elsewhere within five years before the date the application was filed.

MCL 257.625k

FISCAL IMPACT:

The bill would provide DOS with a new annual revenue stream for its BAIID program through the creation of the BAIID Fee Fund and would free up existing state restricted and general fund revenue sources to support other operational expenses of Secretary of State

vehicle-related services. Under the bill, DOS would be allowed to establish its own fee schedule to assess BAIID manufacturers and service centers to support its certification and inspection services. The program was previously supported by \$1.0 million annually from driver responsibility fee revenue. That fee revenue has since been phased out, starting in 2018, with the elimination and forgiveness of driver responsibility fee assessments, and has been supported with the department's ongoing appropriations.

According to DOS, the department anticipates an estimated additional \$1.2 million annually according to the department's initial planned fee schedule. Over \$1.0 million of this amount would come from a \$10 service fee to calibrate BAIIDs. DOS was unable to provide the annual cost of the BAIID program at the time of this analysis.

DOS is currently anticipating a revenue shortfall of between \$7.9 and \$2.6 million in FY 2021-22 from an imbalance between revenue collections and expenditures of the Transportation Administration Collection Fund (TACF). An additional \$1.2 million would offset a portion of the revenue shortfall by alleviating some of the cost burden from the TACF and other DOS fund sources.

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