

Legislative Analysis



SECONDARY ROAD PATROL AND TRAINING FUND

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

House Bill 5732 as introduced
Sponsor: Rep. Tommy Brann

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

House Bill 5772 as introduced
Sponsor: Rep. David W. Martin

House Bill 5773 as introduced
Sponsor: Rep. Mike Mueller

Committee: Government Operations
Complete to 3-2-22

SUMMARY:

House Bills 5732, 5772, and 5773 would amend different acts to change the funding source for the Secondary Road Patrol and Training Fund. Currently, the fund receives a \$10 assessment imposed on civil infraction determinations under the Michigan Vehicle Code (except those for parking violations). Under the bills, the fund would instead receive \$15.0 million annually from the 4% excise tax on spirits (e.g., distilled liquors such as whiskey or rum) under the Michigan Liquor Control Code.

House Bill 5732 would amend the Michigan Liquor Control Code to require \$15.0 million of the revenue collected from the 4% specific tax levied on the retail sales of spirits to be annually allocated to the Secondary Road Patrol and Training Fund before the balance of that revenue is deposited in the general fund. (Currently it is all deposited in the general fund.) Five years after the effective date of the bill and every five years after that, the dollar amount of this allocation would have to be adjusted for inflation and rounded to the nearest \$100.

MCL 436.1201

House Bill 5772 would amend the Revised Judicature Act to remove the Secondary Road Patrol and Training Fund from monthly distributions of revenue from the Justice System Fund. Currently, the Secondary Road Patrol and Training Fund is allocated an amount equal to \$10 for each civil infraction for which an assessment is collected under the Michigan Vehicle Code. (This does not include parking violations or civil infractions for which the fine and costs imposed were \$10 or less.) The bill would eliminate this distribution.

MCL 600.181

House Bill 5773 would amend the Michigan Vehicle Code to reduce the assessment levied on certain civil infraction determinations for the Justice System Fund by \$10 (from \$40 to \$30) to account for the portion of the assessment that would no longer be distributed to the Secondary Road Patrol and Training Fund under House Bill 5772.

MCL 257.907

House Bills 5772 and 5773 would not take effect unless all three bills were enacted.

FISCAL IMPACT:

Jointly examined, House Bills 5732, 5772, and 5773 would result in increased funding for county and local law enforcement agencies and decreased revenue to the state’s general fund.

The Secondary Road Patrol and Training Fund (SRPTF) functions as the primary funding source for Secondary Road Patrol (SRP) grants, which are distributed to county sheriffs’ offices to support road patrols on county and local roads outside city and village limits. SRP grants may be used for the following: employing personnel, purchasing equipment, law enforcement in state and county parks, motor vehicle inspection programs, and educational programs. The fund also supports partial reimbursements to local law enforcement agencies for training costs for employed officer candidates.

Under the current structure between the Justice System Fund and the SRPTF, SRPTF revenues are entirely dependent on the volume of traffic citations written, which has caused marked volatility in the fund. Revenues to the fund have been decreasing for an extended period, but an acute decline has occurred in recent fiscal years. The table below provides revenue figures for the SRPTF over the previous four fiscal years.

Fiscal Year	Revenue to SRPTF (Reported in SIGMA)
FY 2017-18	\$8,943,106
FY 2018-19	\$8,841,898
FY 2019-20	\$6,886,231
FY 2020-21	\$6,293,625

Due to the impact of SRPTF revenue reductions, the legislature has bolstered the amount of funding available for SRP grants by including general fund appropriations. The table below provides a five-year history of the appropriation for the SRP grant program, though it is important to note that the total amount appropriated is not necessarily the total grant amount that the counties receive, as the SRPTF portion of the appropriation is dependent upon sufficient revenues.

Fiscal Year	General Fund Appropriation	SRPTF Appropriation	Total Appropriation
FY 2017-18	\$0	\$11,069,300	\$11,069,300
FY 2018-19	\$2,000,000	\$11,072,200	\$13,072,200
FY 2019-20	\$2,000,000	\$11,074,300	\$13,074,300
FY 2020-21	\$2,000,000	\$11,074,300	\$13,074,300
FY 2021-22	\$4,000,000	\$11,073,200	\$15,073,200

Changing the funding mechanism for the SRPTF to an earmark from the liquor excise tax would provide a larger and more stable revenue source for the fund. Under current law, all revenue collected under the 4% liquor excise tax specified in MCL 436.2201 accrues to the general fund. As written, HB 5732 would annually earmark \$15.0 million of that revenue to the SRPTF. Thus, the bill would reduce general fund revenue by \$15.0 million on an annual basis.

Legislative Analyst: Rick Yuille
Fiscal Analysts: Marcus Coffin
Jim Stansell

■ 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.