



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

BILL ANALYSIS



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

Senate Bill 706 (Substitute S-1 as reported by the Committee of the Whole)
Senate Bill 799 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Veronica Klinefelt
Committee: Transportation and Infrastructure

CONTENT

Senate Bill 706 (S-1) would amend the Michigan Vehicle Code to do the following:

- Remove a requirement that the Secretary of State (SOS) include whether an individual has failed to pay a driver responsibility fee (DRF) in the individual's driving record.
- Remove language pertaining to DRFs from the Code.
- Allow the SOS to reinstate the operator's license of an individual whose driving privileges were suspended for failure to pay a DRF without requiring the individual to pay the license reinstatement fee.
- Repeal sections 732b and 732d of the Code, which generally concern the administration of DRFs.

Senate Bill 799 (S-1) would amend the Enhanced Driver License and Enhanced Official State Personal Identification Card Act to remove from the definition of "licensing sanction" a reference to the assessment of DRFs.

Senate Bill 799 is tie-barred to Senate Bill 706. Each bill would take effect 90 days after its enactment.

MCL 257.204a et al. (S.B. 706)
28.304 (S.B. 799)

BRIEF RATIONALE

Generally, the Code prescribed DRFs for individuals who broke the law while driving. According to testimony, some individuals have outstanding DRFs that inhibit their ability to reinstate their driver licenses; however, DRFs have not been collected since 2018, when Public Acts 43 through 50 discontinued the assessment of, and phased out liability for, DRFs. Accordingly, it has been suggested that the law be amended to allow the SOS to reinstate an operator's license for an individual whose driving privileges were suspended due to a DRF without requiring the individual to pay the license reinstatement fee.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill could result in a reduction in revenues for the Michigan Department of State, and others, with the elimination of the reinstatement fee as proposed in the bill. Currently, a \$125 reinstatement fee is charged upon the reinstatement of an operator's or chauffeur's driver license that has been suspended or revoked for violation of various sections of the Code (such as drunk driving, seven or more points on a driver's record, etc.).

In 2018, all DRFs were eliminated and reinstatement fees waived from March 2018 to December 2018. The Department was allowed to begin charging the reinstatement fee beginning January 1, 2019. The bill would permanently eliminate the reinstatement fee for those whose operator's or chauffer's licenses were suspended or revoked due to nonpayment of the fee after DRFs were eliminated. The Department has stated that current practice is to not charge the reinstatement fee for those mentioned above and thus would lose a minimal, if any, revenue.

In Fiscal Year 2022-23 the Department collected an estimated \$3.2 million in revenue from reinstatement fees which equates to approximately 25,600 reinstatements. It is uncertain if any of the current reinstatement fees would be eliminated and how much of the \$3.2 million in estimated revenue would be lost. The bill likely would have a minor fiscal impact on the Department of Treasury but would not result in significant cost changes or changes to required appropriations.

Date Completed: 4-10-24

Fiscal Analyst: Joe Carrasco, Jr.
Elizabeth Raczowski

SAS\Floors2324\sb706a

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.