



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 478 (as reported without amendment)
Sponsor: Senator Dave Hildenbrand
Committee: Transportation

Date Completed: 10-24-17

RATIONALE

Under the Michigan Vehicle Code, a court may notify a person who failed to answer three parking violation notices or citations for illegal parking that if he or she does not appear within 10 days, the court will inform the Secretary of State (SOS) of the person's failure to appear. The SOS then may not issue a license to or renew a license for the person until the court informs the SOS that the person has resolved all outstanding matters regarding the notices or citations and paid to the court a \$45 driver license clearance fee (unless the court waives the fee). Previously, the number of parking citations that lead to the denial of a driver license for failure to appear was six. Public Act 13 of 2012 amended the Code to reduce that number to three. However, the Act included a provision that will return the threshold to six parking citations beginning January 1, 2018. Evidently, the current policy has been effective, and it has been suggested that the sunset be eliminated.

CONTENT

The bill would amend the Michigan Vehicle Code to delete provisions that will increase from three to six the number of parking citations that can lead to the denial of a driver license for failure to appear beginning January 1, 2018.

The bill would take effect 90 days after its enactment.

MCL 257.321a

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

When Public Act 13 of 2012 was enacted, decreasing the number of parking citations that lead to the denial of a driver license for failure to appear was meant to address the issue of uncollected parking ticket fines. In some communities, unpaid parking tickets contributed significantly to local budget problems. For example, it was reported that over a period of seven years, parking violators had failed to pay approximately \$30.0 million to the City of Detroit. Similarly, the City of Grand Rapids reportedly was writing off more than \$1.2 million in unpaid parking violations before Public Act 13 of 2012 was enacted. When the policy was changed from a six-ticket threshold to a three-ticket threshold, Grand Rapids saw an increase in the amount of parking ticket fines that were collected and wrote off fewer dollars, with the amount dropping from \$1.2 million to \$275,000. Furthermore, the City reports that tickets amounting to more than \$2.8 million were sent to the district court between 2012 and 2016, and the court collected over 81% of those dollars.

By maintaining the current policy, the bill would continue to encourage people to address unpaid parking tickets while the cost was still manageable, before a driver license denial was triggered. This would assist local governments to collect fines that support municipal functions and services.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. If the bill is not enacted, however, local governments might experience a loss of revenue due to unpaid parking tickets.

Fiscal Analyst: Joe Carrasco

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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.