



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

GRADUATED DRIVERS LICENSE CHANGES; TIRE DISPOSAL SURCHARGE

House Bill 4778 as enrolled
Public Act 456 of 2000
House Committee: Transportation
**Senate Committee: Transportation and
Tourism**

House Bill 4779 as enrolled
Public Act 457 of 2000
**House Committee: Criminal Law and
Corrections**
Senate Committee: Judiciary

Sponsor: Rep. Paul DeWeese
Third Analysis (1-10-01)

THE APPARENT PROBLEM:

In 1996, the legislature passed Public Act 387, in response to a report and recommendations from a special task force convened by the Michigan State Safety Commission. Public Act 387 completely redesigned the driver education and licensing system for young and first-time drivers, beginning on April 1, 1997. The new system created a graduated, three-tier, licensing permit (see *BACKGROUND INFORMATION*, below), shifted most of the responsibility for training drivers to commercial driver training schools, and eliminated the requirement that school districts offer driver education courses.

A three-tier license was established for young drivers because 1993 crash data compiled by the Department of State Police showed teenagers were involved in a disproportionate number of traffic accidents compared to their representation among all licensed drivers. Specifically, though they made up just three percent of the entire driving force, drivers under age 18 accounted for over seven percent of all crashes and over six percent of all fatal accidents.

Six years later, and according to the April 1999 issue of *State Government News*, car crashes continue to be the leading cause of death for teenagers, totaling one-third of all deaths in this age group, nationwide. While teen drivers represent only seven percent of the driving population, they are involved in 14 percent of fatal vehicle crashes and 20 percent of total crashes. More than 60,000 teens died in motor vehicle crashes in the

last decade. Within the 15-20 age group, 16-year-old drivers have the highest crash involvement rate--more than three times that of 17-year-olds and five times that of 18-year-olds.

The three-tier permit system (often called the graduated driver licensing system) was adopted to reduce teen accidents and fatalities, on the assumption that more driver education, increasing age and maturity, and more driving experience (in daylight and nighttime conditions) would result in safer driving records. Despite these desired public policy outcomes, the graduated driver licensing system that went into effect in 1997 was set to expire on April 1, 2002. However, the legislature enacted Public Act 40 of 1999 to remove that 'sunset date' and to ensure that the graduated driver licensing permit for young drivers could continue beyond the year 2002.

Since the graduated driver licensing program went into effect in 1996, a number of ways to improve the program have been identified, and legislation has been proposed to make several changes.

In an unrelated matter, the bill was amended during deliberations in the Senate to extend one year the 'sunset' for the tire disposal surcharge, set to expire on January 1, 2001, in order to provide revenue for the Scrap Tire Regulatory Fund, which was created under the Natural Resources and Environmental Protection Act.

THE CONTENT OF THE BILLS:

House Bill 4778 would revise several provisions of the graduated driver license program that was adopted by the legislature as Public Act 387 of 1996. The act was amended three years later by Public Act 40 of 1999 to remove the sunset date specified in the original act.

Specifically, under the Michigan Vehicle Code (MCL 257.306 et al.), the secretary of state may enter into an agreement with another public or private person or agency to conduct a behind-the-wheel road test. House Bill 4778 specifies that in an agreement with another person or agency to conduct that test (for all vehicles including motorcycles), the secretary of state could prescribe the method and examination criteria to be followed. This provision would be added to two sections of the bill.

House Bill 4778 also provides that beginning April 1, 2001, a person who corrupts or attempts to corrupt a designated examining officer appointed or designated by the secretary of state, by giving or promising any gift or gratuity with the intent to influence the decision of the examining officer conducting a test (for all vehicles, including motorcycles), would be guilty of a felony. Further, a designated examining officer appointed or designated by the secretary of state who conducts a behind-the-wheel road test under an agreement, and who varies from or in any way changes the method or examination criteria prescribed to be followed under that agreement, would be guilty of a felony. Finally, a person who forged, counterfeited or altered a satisfactorily completed behind-the-wheel road test certification issued by a designated examining officer also would be guilty of a felony. Under the bill, these provisions would be added to two sections of the code. [Additionally, House Bill 6015, a sentencing guidelines bill, was amended to place these offenses into the state's sentencing framework that is used by judges when they categorize crimes and sentence violators. The sentencing guidelines bill, House Bill 6015, is tie-barred to House Bill 4778.]

Currently an operator's license issued to a person who is at least 14 years of age and under 16 years of age expires one year after it is issued. Under the bill that operator's license would expire on the birthday following issuance, or if the birthday was within six months after issuance, then one year after the birthday.

Currently the law specifies that the license of a minor must be canceled by the commissioner upon the written request of the person who signed the minor's application for license. House Bill 4778 specifies that the license of a minor would have to be canceled by the secretary of state upon the written request of the custodial parent, or parents, or legal guardian of the minor. Further and at their request, the secretary of state could reduce a minor's graduated driver license level, or delay the minor's advancement to the next level.

Currently under the law, the secretary of state deposits the fee revenue from the sale of operators' licenses in the state treasury to the credit of the general fund. However, the secretary of state refunds a portion of those fees to each county or municipality acting as an examining officer or bureau. In addition, the state treasurer deposits the sum of \$4 in a Driver Education Fund for each person examined for a license, and the the Department of Education is required to use that money to administer a driver education program, and also to distribute funds to local school districts for their driver education programs. From the money credited to the Driver Education Fund, the legislature annually appropriates funds to the Department of Education to administer the driver education program, and under the law the department must distribute to local public school districts a pro rata amount equal to the number of students who complete an approved driver education course offered by the district. If the school district does not offer a program, then the pro rata share is distributed to a licensed driver training school, or another local school district offering the program. House Bill 4778 specifies that this pro rata distribution would be equal to the number of students who had completed segment one of an approved driver education course offered through the local public school district, or by a driver training school, or another school district. In addition, the bill would allow reimbursement to a parent of a student.

Under current law, enrollment in approved driver education courses is open to children enrolled in the high school grades of public, parochial, and private schools, as well as to resident out-of-school youth. House Bill 4778 specifies that enrollment would be open to residents not less than 14 years 8 months of age enrolled in public, nonpublic, and home schools, as

well as resident out-of-school youth not less than 14 years 8 months of age.

House Bill 4778 would delete a number of the code's provisions. In particular, the bill would eliminate the provision in the law that specifies the fee for a behind-the-wheel road test for a vehicle group designation or indorsement to be \$60, without refund in the event of failure. The bill also would eliminate the provisions that require the secretary of state to charge \$15 for each motorcycle operator driving test (the revenue from which was deposited in a motorcycle safety fund), and an \$11 road test fee for an operator's or a chauffeur's license. Further, the bill would delete remaining references to the repeal date of April 1, 2002 that was contained in the act to create the graduated licensing program, Public Act 387 of 1996. That sunset date was later repealed when the legislature enacted Public Act 40 of 1999.

The bill would eliminate an outdated provision that specifies that until April 1, 1998, driver education courses must be conducted by the local public school district, or by the intermediate school district at the request of the local school district. It would eliminate a provision that until April 1, 1998, prohibited a public school system from imposing a charge or enrollment fee for a driver education course. Under the bill, if a charge or enrollment fee were imposed, it would have to be the same for all students who reside within the territory of the public school system.

In addition, House Bill 4778 would delete a section that requires that not later than December 30, 1996, the secretary of state prepare and submit to the legislature a report comparing aggregate driver record information for drivers trained in driver education programs for which eligibility requirements had been established, to aggregate driver record information for drivers trained in programs for which such eligibility requirements had not been established.

Finally, House Bill 4778 also would extend for one year the 'sunset' date for the scrap tire surcharge which is set to expire on January 1, 2001. Under the Michigan Vehicle Code, each person who applies for a certificate of title, a salvage vehicle certificate of title, or a scrap certificate of title, pays a tire disposal surcharge of 50 cents for each certificate of title or duplicate title he or she receives. Under the law the secretary of state must deposit these fees into the Scrap Tire Regulatory Fund created under the Natural Resources and Environmental Protection Act. The bill would retain these provisions but specify that the surcharge would expire on January 1, 2002.

House Bill 4779 would amend the Code of Criminal Procedure's statutory sentencing guidelines (MCL 777.12).

The bill would add all of the following to the sentencing guidelines: corrupting a road test examining officer; deviating from road test criteria; forging, counterfeiting, or altering a road test certification; corrupting a person or agency conducting a motorcycle driving test; deviating from motorcycle road test criteria; and forging, counterfeiting, or altering a motorcycle road test certification. Each of those offenses would be categorized as a Class F felony against the public order, with a statutory maximum sentence of five years' imprisonment.

The bill also would change the felony classification for a third or subsequent offense of operating or serving as crew of an aircraft while under the influence of alcohol or a controlled substance. Currently, that offense is a Class G felony; under the bill, it would be a Class E felony. In addition, the bill would categorize as a Class E felony operating or serving as crew of an aircraft while under the influence causing serious impairment.

The bill would include in the guidelines violations of the Organic Products Act (Public Act 316 of 2000, which will take effect on October 1, 2001). A violation of that Act would be categorized as a Class G felony with a statutory maximum sentence of four years' imprisonment.

BACKGROUND INFORMATION:

Michigan's Three-Tier Driver Licensing Permit. Under Public Act 387 of 1996 (which went into effect on April 1, 1997), a person at least 14 years and nine months old can be issued a level 1 graduated licensing status to operate a motor vehicle only when accompanied by a parent (or another driver over 21 years old with parental consent) and if he or she meets certain health and education criteria. No earlier than six months later, a person can be issued a level 2 graduated licensing status to operate a motor vehicle if he or she has successfully completed segment two of the driver education program, has a safe driving record, can certify 50 hours of behind-the-wheel experience (including 10 hours at night), and has successfully completed a performance road test conducted by the secretary of state. After another six months, a person who is at least 17 years old can be issued a level 3 graduated licensing status if he or she has completed 12 consecutive months without a moving violation, or an accident.

1994 Novice Driver Entry System Task Force. The House Legislative Analysis Section's analysis of enrolled House Bill 4764 (Public Act 387 of 1996) reported that according to motor vehicle crash statistics kept yearly by the Michigan State Police since 1967, teen-aged drivers had been involved in fatal accidents at a rate more than double their representation in the overall driving population. Although the rate for all drivers fell from 1987 until 1991, the teen-driver death rate began climbing again after 1991 and continued to rise even as the rate for all other drivers fell. In light of these grim statistics and evidence suggesting many young people simply lack the maturity required to safely operate motor vehicles, the Michigan State Safety Commission formed the Novice Driver Entry System Task Force in 1994 to study the problem and recommend changes to the [then] current system of training and licensing new drivers. The task force suggested adopting a graduated licensure system similar to those adopted in other states (i.e., California, Maryland) and the Canadian province of Ontario in which young drivers are issued a special restriction card, which limits their driving privileges, along with a driver's license. As they accrue a minimum number of hours driving with parents and meet various other criteria, including passing an introductory level driver's education course and driving without any violations for six months, they can proceed to the next level of licensure and education. Thus, they are supervised by experienced drivers while slowly acquiring the seasoned skills and judgment necessary to drive safely. The commission reported that graduated licensure had reduced the teen-driver fatality rate by five percent in California and up to 15 percent in the countries of New Zealand and Australia.

Nationwide Campaign for Graduated Driver Licensing (GDL). According to the April 1999 issue of *State Government News* published by the Council of State Governments, in an article entitled "Making the Case for Graduated Driver Licensing" written by the government relations director of AAA, car crashes continue to be the leading cause of death for teenagers, totaling one-third of all deaths in their age group. While teen drivers represent only seven percent of the driving population, they are involved in 14 percent of fatal vehicle crashes and 20 percent of total crashes. More than 60,000 teens died in motor vehicle crashes in the last decade. Within the 15-20 age group, 16-year-old drivers have the highest crash involvement rate--more than three times that of 17-year-olds and five times that of 18-year-olds. The magazine reports that twenty-six states already have adopted a full or partial form of GDL, and all remaining states will consider similar legislation in a campaign currently

underway that is being directed by the auto insurer, AAA. In the state of Florida, which implemented GDL in 1996, the fatality rate among teenagers has decreased by nine percent.

Generally, the GDL systems that are being promoted nationwide in states that do not yet have graduated driver licensing laws, would manage the driving experience of teen drivers by gradually introducing them into the traffic system and requiring them to progress through three stages: the learner's permit stage, where the teen driver practices basic driving skills and safe-driving practices under totally supervised conditions; a restricted or intermediate license stage that allows unsupervised driving during lower-risk times of the day; and, a full, unrestricted license at age 18 after successful completion of stage two with no traffic violations and the passage of a final road test. In most cases, the learner's permit and restricted or intermediate license phases include conditions such as driving curfews, limits on the number and age of passengers, and adult-supervised behind-the-wheel experience.

FISCAL IMPLICATIONS:

The Senate Fiscal Agency notes that House Bill 4778 would have an indeterminate fiscal impact on local school districts, by mandating that a school system charge the same enrollment fee for all resident pupils enrolled in the course. This could affect a local school district that currently uses some type of graduated fee. For example, if a district waives or reduces the fee based on a pupil's income or at-risk status, the bill would require the district to discontinue this practice.

Further, the bill's criminal penalties also would have an indeterminate fiscal impact on state and local government. There are no data available to indicate how many offenders could be convicted of the proposed crimes. Local governments would incur the costs of incarceration for offenders sentenced to terms of incarceration less than 18 months, and the state would incur costs for offenders with terms longer than 18 months and/or for probation supervision.

Finally, the Senate Fiscal Agency notes that the Department of State does not conduct behind-the-wheel road tests or motorcycle operator driving tests; thus elimination of fees for tests conducted by the secretary of state would have no fiscal impact. (12-1-00)

The House Fiscal Agency notes that one provision of the bill would clarify the pro rata distribution of Driver Education Fund revenues to local school districts. In

particular, the bill specifies that the pro rata distribution would be equal to the number of students who had completed segment 1 of an approved driver education course offered through the local public school district, or by a driver training school. The bill would have an indeterminate state or local fiscal impact. (12-21-00)

The SFA notes that House Bill 4779 would have an indeterminate fiscal impact on state and local government. (12-4-00)

ARGUMENTS:

For:

The graduated drivers licensing act is an effective law that enables safe driving conditions for first-time drivers. However, since its enactment four years ago, implementation of the law has revealed several ways the GDL program can be improved. This bill, requested by the Department of Education and the Office of the Secretary of State, would make those improvements. For example, House Bill 4778 would clarify how driving simulators can be used in lieu of some on-the-road driving time; allow the secretary of state to set examination methods and criteria; set felony penalties for those who would bribe driving examiners, shorten examination methods, alter criteria, or forge road test certificates; allow the secretary of state to reduce a minor's graduated driver license level or delay a minor's advancement to the next level at the request of a parent; clarify how driving programs are reimbursed under the Driver Education Fund administered by the Department of Education; and, require that all students who reside within the territory of a public school system be charged the same enrollment fee if a fee is imposed. These changes and others will help to make the GDL program more effective and fair for new drivers.

For:

Although it is too early to tell the crash experience of young Michigan drivers since the implementation of GDL in April 1997, a three-year study by the University of Michigan Transportation Research Institute is underway. Nonetheless, given the experience in other states and countries (notably Florida, Sweden, and England) it would seem highly likely that requiring a parent or guardian to be involved in at least 50 hours of on-the-road training of a young driver helps young drivers gain the experience and emotional maturity necessary for safe driving. In those jurisdictions, crashes for teen drivers have dropped

substantially. When a responsible adult accompanies a young driver, the adult guidance should help reduce some of the negative influences from a teen driver's peers. For example, increased parental involvement and communication with young teens as they learn to drive can help them to understand the deadly consequences of alcohol and excessive driving speed.

For:

The parents of teen drivers overwhelmingly support the GDL program. Michigan was the first jurisdiction to require that a parent or other responsible adult certify that a young driver had received a minimum of 50 hours of supervised practice. According to 814 survey results compiled by the University of Michigan Transportation Research Institute during the summer of 1998, parents were extremely positive about the new program. Nearly all parents surveyed, 96.9 percent, reported an overall 'good' or 'very good' experience with the program. The survey indicated that most of the driving supervisors were parents or stepparents, usually mothers or stepmothers. Over three-fifths of them reported that they had been offered some kind of guidance for their supervision, and most of them used the help offered. Two-thirds of the parents also said they provided more supervised driving than required by law, an average of 75 hours instead of 50. Further, slightly over half of the parents indicated that they intended to execute a parent-young driver contract to continue to exert control over the young person's driving.

Against:

When Michigan adopted its GDL system, it privatized driver training and driver testing. Before the new system, these functions were carried out largely by the public school districts, and by personnel in the branch offices of the secretary of state. Under the new system, the costs of driver education and road testing are paid directly by the young driver and his or her family to private companies, and sometimes the fees that are charged by private driver education schools and driver testing service providers can be excessive. For example, the fee for a required driver permit test ranges from \$30 to \$50. Sometimes the cost is too steep for poor families, and there should be an opportunity to waive those costs when a youngster is very poor. Further, this legislation requires school districts to charge the same fee to all students who take driver education classes. Consequently, schools that have differentiated fees depending on their student's financial need would be prohibited from continuing to use their fee schedules.

For:

House Bill 4778 also contains a one-year extension for the 50-cent tire disposal surcharge assessed to everyone who applies for a certificate of title. These fees are necessary in order to pay for environmental clean-up that is made possible under the Scrap Tire Regulatory Fund. The surcharge is set to expire on January 1, 2001, and this bill would extend the 'sunset' date for the surcharge to January 1, 2002.

Analyst: J. Hunault/W. Flory

#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.