

Fiscal Analysis

Waiver On No Proof Of Insurance



Bill/Sponsor **HOUSE BILL 4308 AS INTRODUCED, Rep. John Garfield**

House Committee Judiciary

Analysis

Summary

House Bill 4308 would amend the Michigan Vehicle Code to require the court to waive any fines and costs for failing to produce a certificate of insurance in cases where the court receives certification from a law enforcement agency that, prior to the appearance date on the citation, valid proof of insurance was produced. Proof of insurance had to have been valid on the date the violation occurred.

Fiscal Impact

House Bill 4308 could have a negative fiscal impact on the state and on local units of government, depending on responses by law enforcement agencies and the courts. The state, the courts, county law libraries, local libraries, and other local units of government could lose revenue. The amount of revenue would be based on the number of people who fail to produce certificates of valid insurance upon request of a police officer, but then do so prior to the appearance date noted on their citations. That number is indeterminate.

According to the Department of State, of the fines and costs assessed, \$150 per case is deposited into the state's general fund. In calendar year 2002, 172,000 drivers were found responsible for operating motor vehicles without certificates of insurance. Using those figures, if all 172,000 drivers were issued citations and then produced valid certificates of insurance within the designated time frame, resulting in waived fines and costs, the state would stand to lose \$25.8 million.

Analyst(s)

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