

MOTORCYCLE SAFETY PROGRAM

Senate Bill 462 (Substitute H-1)
First Analysis (6-24-03)

Sponsor: Sen. Valde Garcia
House Committee: Transportation
Senate Committee: Appropriations

THE APPARENT PROBLEM:

A 16 or 17-year old must pass an examination and a motorcycle safety course before being issued a license to operate a motorcycle. An adult 18 and older must pass an examination and a motorcycle driving test. However, the adult can substitute completion of a motorcycle safety course in lieu of the motorcycle driving test. An adult applicant for a license to operate a motorcycle must complete a motorcycle safety course upon failing the examination for a license two or more times.

The Motorcycle Safety Program within the Department of Education (DOE) allocates grants to colleges or universities, intermediate school districts, law enforcement agencies, or other governmental agencies that provide motorcycle safety courses under provisions of the vehicle code. Entities that receive grants under the program cannot charge applicants more than a \$25 course fee.

The governor's budget recommendation for the 2003-2004 fiscal year proposed the elimination of the Motorcycle Safety Program, and funding for the program in the Department of Education's budget was subsequently eliminated. The governor is also recommending the elimination of fees that support the program. If this program is eliminated, individuals would have to enroll in safety courses directly from private providers. Where the fee participation in the government-sponsored program is capped at \$25 per person, the private providers have no such statutory cap; therefore, persons seeking to be licensed to ride motorcycles would be forced to go with a higher priced private vendor.

In response to the governor's proposed elimination of this program, the Senate restored funding for the program in the Department of State's budget. However, legislation is needed to amend the vehicle code to transfer the administration of the program from the Department of Education to the Secretary of State.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to transfer the responsibility for the establishment and administration of the Motorcycle Safety Program from the State Board of Education to the Secretary of State. The bill would also eliminate a provision specifying that audits of the Motorcycle Safety Fund conducted by the office of auditor general be conducted in conjunction with the audit of school management services. Lastly, the bill would refer to a "motorcycle safety rider coach course" instead of a "motorcycle safety chief instructor course" to reflect changes in terms on a national level.

MCL 257.312b et al.

HOUSE COMMITTEE ACTION:

House Committee on Transportation amended the bill to change the term "motorcycle safety chief instructor course" to "motorcycle safety rider coach course".

FISCAL IMPLICATIONS:

The Senate Fiscal Agency reported in a fiscal note dated 6-10-03 that the Motorcycle Safety Fund supports administrative costs and grants for the Motorcycle Safety Program. As provided by statute, the fund receives \$10 of each original motorcycle endorsement, \$3 of each endorsement renewal, and \$3 of each motorcycle registration.

The FY 2003-2004 General Government appropriation bill (as passed by the Senate) includes \$143,800 for administration of the Motorcycle Safety Program and \$1.2 million for grants.

ARGUMENTS:

For:

The driver training program administered by the Department of Education is responsible for administering three programs: driver education, motorcycle safety, and ATV/ORV safety. However,

the governor's budget recommendations would eliminate the motorcycle safety program. (Reportedly, the ATV/ORV safety program, transferred from the DNR by Public Act 241 of 1989, would be transferred back to the DNR by legislation working its way through the legislative process.)

The state has long taken the lead in educating the public in how to safely operate motorized vehicles. The bill would continue that tradition and leadership by retaining the Motorcycle Safety Program and moving oversight of the program to the Office of Secretary of State (SOS). Though there are private companies that offer motorcycle safety training programs, their fees are not capped at \$25 like the government-operated training programs. Therefore, individuals seeking to gain important safety training would have to pay higher fees, and programs may not be offered in all areas of the state. Since the safety program is funded by portions of the motorcycle endorsement, renewal endorsement, and registration fees, the program should be allowed to continue. Further, according to a representative of the SOS, it appears that DOE staff involved with the grant process should be able to move to the SOS along with the safety program. This is important as SOS does not currently engage in grant writing, distribution of grants, or grant oversight, and it will be helpful to have experienced workers continue with the program.

Against:

The Motorcycle Safety Fund used to be audited annually by the auditor general. In 1992, when the nation was in the midst of a recession, Public Act 59 amended the vehicle code to require the fund to be audited in conjunction with the audit of school management services, which is done every three to four years. (The change was estimated to save \$9,600 in the years the audit was not conducted.) However, this language would be deleted by Senate Bill 462.

As written, the bill would require only that the office of auditor general conduct an audit to determine compliance with requirements regarding expenditures from the fund. Without specifying how often the audit should be done, the decision as to how often to audit the fund would be within the discretion of the auditor general.

Response:

According to a representative for the office of auditor general, if the requirement for an audit is not period-specific (e.g., annually, biennially, etc.), the office would determine an appropriate audit cycle based on

principles of risk assumption. The longest cycle that the office uses is ten years for funds or programs that pose little risk for misappropriation. An audit would also be triggered if something occurred that brought the fund to the attention of the office, or if the legislature requested an audit to be conducted.

Allowing the auditor general to determine an appropriate audit cycle for low-risk programs allows the office to better allocate limited resources. The decision to end the annual audits of the Motorcycle Safety Fund in 1992 in favor of a three to four year audit cycle was in response to the legislature's request that the auditor general develop recommendations to reduce costs and improve efficiency for the office in light of the budget shortfalls brought about by the recession of the early 1990s. Public Act 59 of 1992 merely placed the auditor general's recommendation in statute.

POSITIONS:

A representative of the Office of Secretary of State testified in support of the bill. (6-19-03)

A representative of ABATE of Michigan testified in support of the bill. (6-19-03)

A representative of AAA Michigan indicated support for the bill. (6-19-03)

A representative of the Traffic Safety Association indicated support for the bill. (6-19-03)

A representative of the Michigan State Medical Society indicated support for the bill. (6-19-03)

Analyst: S. Stutzky

■ 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.