



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 478 (as enacted)
Sponsor: Senator Dave Hildenbrand
Senate Committee: Transportation
House Committee: Transportation and Infrastructure

PUBLIC ACT 236 of 2017

Date Completed: 2-11-19

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 would have returned the threshold to six parking citations beginning January 1, 2018. Evidently, the three parking citation policy was considered more effective, and it was suggested that the sunset be eliminated.

CONTENT

The bill amended the Michigan Vehicle Code to delete provisions that would have increased 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 took effect on January 1, 2018.

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 was meant to address the issue of uncollected parking ticket fines. In some communities, unpaid parking tickets contributed significantly to local budget problems. Reportedly, over a seven-year period, parking violators failed to pay approximately \$30.0 million to the City of Detroit. Similarly, the City of Grand Rapids wrote off more than \$1.2 million in unpaid parking violations before Public Act 13 of 2012 was enacted. When the threshold was reduced to three tickets, Grand Rapids saw an increase in the amount of parking ticket fines that were collected and wrote off fewer tickets, with the amount uncollected 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 that money.

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

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill will have no fiscal impact on State or local government. If the bill had not been enacted, however, local governments could have experienced 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.