

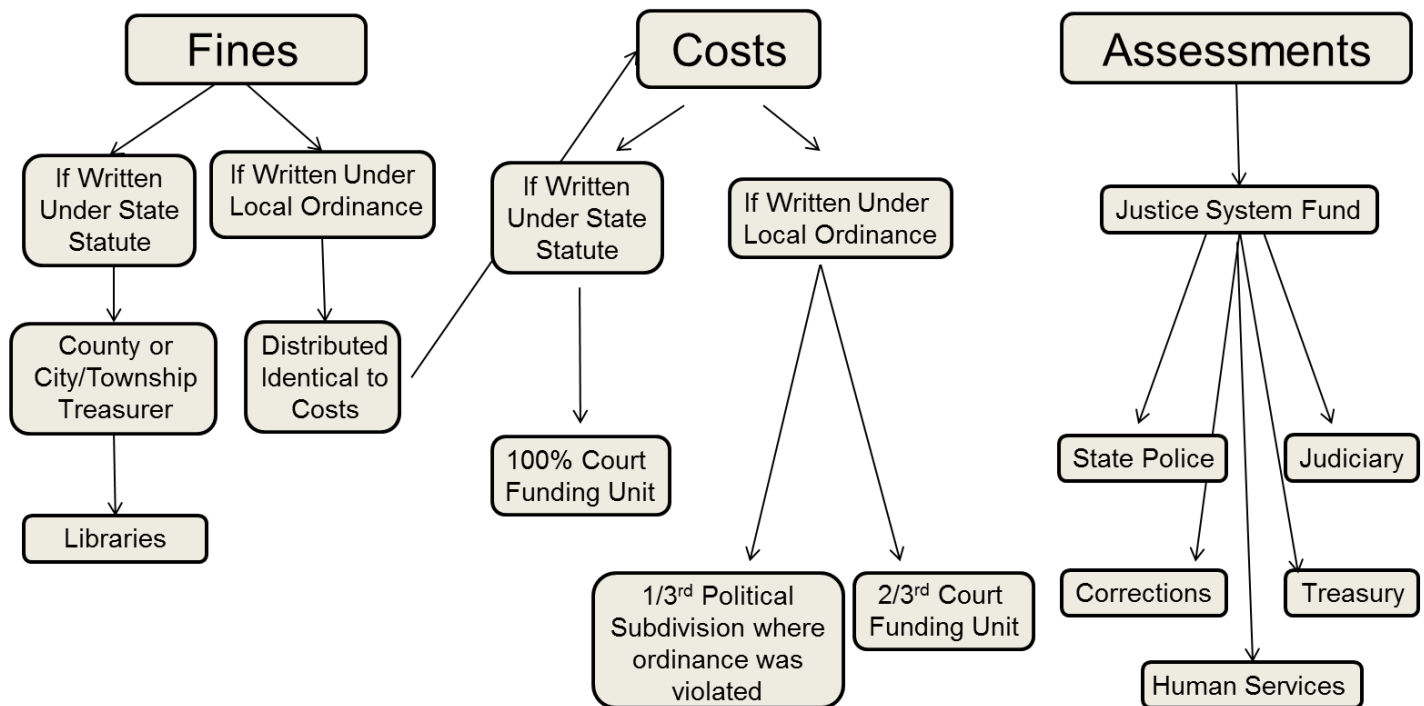
MEMORANDUM

DATE: January 11, 2011
TO: All Interested Parties
FROM: Erik Jonasson, Fiscal Analyst
RE: Traffic Citation Revenue

This memorandum outlines the distribution of funds from traffic citations in Michigan. In 2010, 1.5 million new traffic-related civil infraction filings were reported statewide to the State Court Administrative Office (SCAO). A conservative estimate for the amount of revenue generated by traffic violations would be \$120-\$150 million.

Recipients of traffic citation revenue include libraries, court funding units, local units of government, and the Justice System Fund, which funds several different programs administered by the Departments of State Police, Corrections, Human Services, and the Judiciary. **Figure 1** outlines how this revenue is distributed.

Figure 1: Fines, Costs and Assessments from Traffic-Related Civil Infractions



The Michigan Vehicle Code (MVC) governs the operation of vehicles in the state, including regulation of traffic. The vehicle code establishes certain minimums and maximums and allows district courts to establish a schedule of fines and court costs to be collected for the civil infractions designated by the code.

Figure 2 presents a sample of the various recommended ranges for fines and court costs (applicable only to first-time-offender, responsibility-admitted, non-accident violations) as prepared by the SCAO; these ranges serve only as guidelines. Individual district courts are expected to establish their own schedules of fines and court costs, and local units of government can adopt their own traffic ordinances.

Figure 2 - Fine and Cost Ranges

| 2011 RECOMMENDED RANGE OF FINES AND COSTS FOR CIVIL INFRACTIONS FOR FIRST-TIME OFFENDERS, RESPONSIBILITY ADMITTED, NON-ACCIDENT VIOLATIONS | | | | | | | | |
|--|----------------------|-------|------|-----------------------|-------------------|-----------|-------|-------------------|
| CIVIL INFRACTION | MVC | UTC | SOS | FINE | COSTS | JSA | OTHER | TOTAL |
| SPEED VIOLATIONS: | | | | | | | | |
| Exceed Posted Speed Limits | 627, 628 629, 631 | R412 | 2000 | * | \$35 - \$53 | \$40 | | \$75 - \$93 +fine |
| Exceed Statewide Speed | 628 | | 2000 | * | \$35 - \$53 | \$40 | | \$75 - \$93 +fine |
| | | | | * For All Violations: | | | | |
| | | | | \$6-30 | 1-10 MPH | | | |
| | | | | \$31-59 | 11-15 MPH | | | |
| | | | | \$60+ | 16+ MPH | | | |
| Violation of Basic Speed Law (Too Fast) | 627 | | 2300 | \$35 | \$35 - \$53 | \$40 | | \$110 - \$128 |
| Violation of Basic Speed Law (Too Slow) | 627 | R409a | 2300 | \$35 | \$35 - \$53 | \$40 | | \$110 - \$128 |
| Exceed Speed Limit in Mobile Home Park | 627 | | 2000 | \$35 | \$35 - \$53 | \$40 | | \$110 - \$128 |
| SPEED ON LIMITED ACCESS FREEWAY: | | | | | | | | |
| Violation of Freeway Speed Law, Below Minimum | 628 | | 2330 | \$35 | \$35 - \$53 | \$40 | | \$110 - \$128 |
| Exceed Speed on Limited Access Freeway (Except Trucks Weighing 10,000 Lbs. or More) | 629c | | 2100 | ** | \$35 - \$53 | \$40 | | \$75 - \$93 +fine |
| | | | | ** | \$10 ¹ | 1-5 MPH | | |
| | | | | | \$20 ¹ | 6-10 MPH | | |
| | | | | | \$30 ¹ | 11-15 MPH | | |
| | | | | | \$40 ¹ | 16-25 MPH | | |
| | | | | | \$50 ¹ | 26+ MPH | | |
| WORK AND SCHOOL ZONES AND EMERGENCY SCENE | | | | | | | | |
| Any Moving Violation in Work Zone, School Zone, or at Emergency Scene | 627, 627a, 628 | | 2000 | Double ² | \$35 - \$53 | \$40 | | \$75 - \$93 +fine |
| Speeding in a Work Zone | 627(9) | | 2105 | Double ² | \$35 - \$53 | \$40 | | \$75 - \$93 +fine |

For an explanation of column headings and statutory citations, see page 6.
Numbered notes are located on page 6.

Source: State Court Administrative Office

Under the MVC, there are three types of revenue associated with a traffic citation: court costs, fines, and the Justice System Assessment (JSA). Fine and Cost distributions vary depending on if the traffic citation is written under state statute or a local ordinance, whether the vehicle is commercial or non-commercial, and whether or not the ordinance in violation is the same funding unit that funds a court. **Figure 3** outlines the differences in fine and cost distributions under each set of circumstances, and the resulting change in how fine and cost revenue is allocated. For all of these examples, the \$40 JSA (JSA) remains the same.

Figure 3
Distribution of Fines and Costs in District and Municipal Courts

| Violation Type | | Fine ¹ | Cost ² |
|----------------|--|---|---|
| Statute | District Court: All Violations regardless of vehicle type | County Treasurer • Libraries | Treasurer of Court Funding Unit • Court Funding Unit |
| | Municipal Court: Commercial Vehicle, MCSA, serious safety defect | Treasurer of Court Funding Unit • Political Subdivision in which violation occurred | Treasurer of Court Funding Unit • Court Funding Unit |
| | Municipal Court: All other violations regardless of vehicle type | County Treasurer • Libraries | County Treasurer • Court Funding Unit |
| Ordinance | District and Municipal Court: Non-Commercial Vehicle | Treasurer of Court Funding Unit • ½ Political Sub. whose Ordinance was Violated ¾ Court Funding Unit | Treasurer of Court Funding Unit • ½ Political Sub. ¾ Court Funding Unit |
| | | | Cost to Compel Appearance ³ • 100% Governmental Unit Incurring the Cost |
| | District and Municipal Court: Commercial Vehicle ⁴ | County Treasurer • 30% Libraries 70% Political Sub. whose Ordinance was Violated ⁴ | Treasurer of Court Funding Unit • ½ Political Sub. ¾ Court Funding Unit |
| | | | Cost to Compel Appearance ³ • 100% Governmental Unit Incurring the Cost |

Source: State Court Administrative Office

Violations Under State Statute

For traffic violations under a state statute, all court costs go towards the court funding unit. Funding units are typically the county treasury in first and second class districts, while third class district funding units typically consist of one or more cities or townships. Fines for traffic citations are assessed and distributed to local libraries in the same manner as penal fines, which are constitutionally earmarked for local libraries and county law libraries. The fine revenue is forwarded to the county treasurer for distribution to libraries within the county. The provision earmarking civil fine revenue for libraries was added to the MVC in 1978 when a number of previously criminal violations were downgraded to civil violations.

Local and law libraries receive the entirety of penal fines collected, which include fines from traffic tickets written under state statute. The total revenue from these penal fines is reported by the Library of Michigan, which releases an annual report detailing how these fines are distributed. While this report does not differentiate traffic fines from all other violations for which fines are collected, it does provide information as to the total amount of money libraries receive from such fines. In 2010, these revenues totaled \$27.7 million, with \$27.3 million being distributed to Public Libraries, and approximately \$400,000 distributed to Law Libraries.

Municipal courts distribute court costs in a unique fashion. Fine revenue received from commercial vehicle violation is distributed the political subdivision where the violation occurred. As the only municipal courts in Michigan are those in the Grosse Pointe area, this exception only affects tickets written under state statute in the City of Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Park, and Grosse Pointe Woods. All other traffic civil infractions would be processed by a district court.

Violations Under Local Ordinance

When a non-commercial traffic citation is issued under a local ordinance, rather than state statute, the fine revenue is paid to the General Fund of one or more local units of government rather than to the

county treasurer for distribution to local libraries. Under local ordinances, both fines and costs for non-commercial traffic civil infractions are distributed to the court funding unit and the local unit of government whose ordinance was violated. If the local unit funds a court, that unit receives all of the court costs and fine revenue. If the local unit does not fund a court, the revenue is distributed based on a one-third/two-thirds division. The local unit whose ordinance was violated receives one-third of the revenue, and the remaining two-thirds is paid to the local court funding unit.

Commercial vehicle violations are treated differently under state statute, with 30% of fines paid going towards libraries. The remaining 70% is paid to the local unit of government whose ordinance was violated. The court costs are distributed in the same fashion as a non-commercial vehicle, with

Justice System Assessment

The JSA is a \$40 assessment that is paid on all traffic-related civil infractions. A similar fee is paid on non-traffic civil infractions (\$10), misdemeanors (\$48-\$53), and felonies (\$68). These assessments are deposited into the Justice System Fund (JSF), which then distributes this revenue to other funds and programs.

The JSF (established in 2003 by PAs 70-79, 95-102, 103) combined a series of funds that were previously paid into independent of one another. For example, the Secondary Road Patrol fund, the Highway Safety Fund, and the Michigan Justice Training Fund were three separate \$5 assessments on every traffic ticket prior to 2003. The JSF simplified the process, condensing a variety of assessments into one payment, which is then distributed pursuant to a statutory formula. According to statute (MCL 600.181), \$10 for each JSA is distributed to the Secondary Road Patrol Fund. The remainder of this assessment is distributed according to a percentage formula. This formula is outlined below. A more detailed description of these funds is available in a separate HFA memo titled "Justice System Fund Overview."

Figure 4 - Justice System Fund Distribution for FY 2010-11

| Funding Recipients | Distribution Rate | Distributed (Millions) |
|--|-------------------------|------------------------|
| State Police | | |
| Secondary Road Patrol | \$10/Paid Traffic Civil | |
| Highway Safety Fund | Infraction | \$10.2 |
| Michigan Justice Training Fund | 23.66% | \$11.0 |
| State Forensic Lab Fund | 11.84% | \$5.5 |
| | 5.35% | \$2.5 |
| Corrections | | |
| Jail Reimbursement Program | 11.84% | \$5.5 |
| Human Services | | |
| Sexual Assault Victim's Medical Forensic Intervention and Treatment Fund | 2.65% | \$1.2 |
| Children's Advocacy Center Fund | 1.85% | \$0.9 |
| Legislative Retirement Fund | 1.10% | \$0.5 |
| Judiciary | | |
| Drug Treatment Courts | 2.73% | \$1.3 |
| State Court Fund | 12.69% | \$5.9 |
| Court Equity Fund | 24.33% | \$11.4 |
| State Court Administrative Office | 0.98% | \$0.5 |
| Treasury | 0.98% | \$0.5 |
| Total | | \$56.9 |