

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-AB133)**

Received: **05/11/99**

Received By: **nilsepe**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Dyck**

This file may be shown to any legislator: **NO**

Drafter: **nilsepe**

May Contact:

Alt. Drafters:

Subject: **Transportation - driver licenses**

Extra Copies: **tnf**

**Pre Topic:**

LFB:.....Dyck - Paper 957,

**Topic:**

Driver's license withdrawal for failure to pay forfeiture--court fee

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	nilsepe 05/17/99	ygeller 05/17/99		_____			
/1	nilsepe 05/24/99	ygeller 05/24/99	kfollet 05/18/99	_____	lrb_docadmin 05/18/99		
/2			jfrantze 05/25/99	_____	lrb_docadmin 05/25/99		

FE Sent For:

<END>

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FE Sent For:			8/5/25	8/5/25			

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/?	nilsepe	1 5/17 jlg	5/18/99 lgf	5/18. ksf/ jf			

FE Sent For:

<END>



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

60299

May 11, 1999

Joint Committee on Finance

Paper #957

### **Driver's License Withdrawal for Failure to Pay a Forfeiture -- Court Fee (DOT -- Motor Vehicles)**

[LFB 1999-01 Budget Summary: Page 597, #4]

#### **CURRENT LAW**

Courts may issue an order suspending the driver's license of a person who fails to pay a forfeiture, or any associated assessments, imposed upon a conviction for certain traffic or nontraffic offenses. Generally, the license may be suspended until the forfeiture and assessments are paid, but may not be suspended for more than five years. [DOT anticipates that a provision of 1997 Act 84 that reduces the maximum period of suspension from five years to two years will be implemented by January 1, 2000. A provision of Act 84 gives the Department the authority to implement portions of the Act prior to the general effective date, when the necessary computer system modifications are made.]

In cases involving adults, in addition to (or instead of) suspending a person's driver's license for the failure to pay a forfeiture, courts may: (a) order the person to pay the amount that is owed in installments; (b) order the person to perform community service; (c) order that the payment of the amount owed be suspended or permanently stayed, if the court finds that the person's failure to pay is for good cause; or (d) imprison the person for up to 90 days. In cases involving juveniles, in addition to (or instead of) suspending a person's driver's license, courts may suspend the person's hunting or fishing licenses. Courts may order dispensations other than the payment of forfeitures, including community service or alcohol abuse education, in cases involving juveniles who violate ordinances or criminal statutes.

Upon receiving notice of an order to suspend a person's driver's license, DOT suspends the license. If the person does not currently hold a valid license, the person's operating privilege is suspended, which precludes the person from receiving a license. When the person pays all outstanding forfeitures and assessments, or the period of suspension expires, the person's license

can be reinstated. There is a \$50 fee for reinstatement, in addition to any fee for license renewal or issuance.

## **GOVERNOR**

Require DOT to promulgate an administrative rule to develop and administer a system for charging a fee to circuit courts and municipal courts for each order of the court that suspends or revokes a person's driver's license solely for the failure to pay a forfeiture imposed for violating a local ordinance that is unrelated to the violator's operation of a vehicle. Specify that the amount of the fee established by the rule may not exceed the cost of processing a license suspension or revocation order. Prohibit DOT from processing such an order unless the court has paid any fee required by the rule.

Provide that, where courts currently have the authority to suspend or revoke a person's driver's license for the failure to pay a forfeiture imposed for the violation of an ordinance not related to driving, this authority is subject to payment of any applicable fee required by DOT's administrative rule.

Permit circuit courts and municipal courts to require a person to pay a fee when his or her license is ordered suspended or revoked under these circumstances. Specify that such a fee may not exceed the amount of the fee that the court is required to pay to DOT for ordering the suspension or revocation.

Specify that these provisions would first apply to suspensions and revocations ordered on the effective date of DOT's rule.

## **DISCUSSION POINTS**

1. The rules the bill would require DOT to develop would charge courts a fee for every order issued by the court to suspend a person's license for the failure to pay a forfeiture imposed for an offense unrelated to the operation of a vehicle. Courts may currently suspend a person's license for offenses that are unrelated to driving, such as underage drinking or truancy, but no fee could be imposed for these orders since they are not related to the failure to pay a forfeiture.

2. DOT indicates that the total cost of suspending licenses, when overhead costs are included, is about \$9.50 per suspension, although the Department has not yet calculated how much the fee would be. DOT also indicates that, sometime in the next several years, computer improvements will make it possible for courts to file suspension orders with the Department electronically. This is expected to reduce costs, which would also reduce the amount of the fee, although the amount of the reduction has not been determined.

3. The number of suspensions of the type that would be subject to the court fee under the bill has increased substantially over the last several years. The number of such suspensions

increased by 78% between 1993 and 1998, from 32,564 to 57,932. The rate of growth in this type of suspension has also been greater than the overall growth in license suspensions. In 1993, these suspensions accounted for 11.7% of all suspensions and revocations, while in 1998, they accounted for 17.3%.

4. DOT indicates that the rapid increase in the number of suspension orders has forced the Department to divert resources away from DMV services that are delivered to the general population, such as service centers and vehicle title issuance, toward the processing of license suspensions. The Department argues that this diversion of resources has caused a decline in the satisfaction with DMV service.

5. Only about 40% of people whose license is suspended for the failure to pay a forfeiture reinstate their license within four years, which likely means that a significant proportion of those people do not pay. These people may be likely to continue driving after their license is suspended. The number of citations issued for driving with a suspended or revoked license increased by 42% between 1993 and 1998, which may be a reflection of the increase in the number of licenses suspended for the failure to pay a forfeiture.

6. The proposed fee would address some of DOT's concerns with the current system of license suspension. First, it would compensate the Department for the cost of processing the suspension orders. Although the revenue would not be automatically appropriated for this purpose, it would be deposited in the transportation fund and could be appropriated by the Legislature. Second, the fee may reduce the number of suspension orders, since courts may be reluctant to pay the fee in cases where it seems unlikely that the defendant will pay the forfeiture. A reduction in the number of suspension orders may make it less necessary to divert resources away from other DMV services to pay the cost of processing the orders.

7. Although processing suspension orders that result from the failure to pay forfeitures places a burden on DOT, it may have been the intent of the Legislature, when it authorized such suspensions, to use state resources to assist local governments in collecting unpaid forfeitures. If it continues to be the intent of the Legislature to offer this service at no cost to local governments, then the court fee would be inconsistent with this intent. Instead, the Legislature could provide funding to pay the cost of the increase in the number of suspension orders. The bill would provide \$868,300 and 2.0 positions in 1999-00 and \$902,900 and 3.0 positions in 2000-01 for DMV's general operating budget, in part, to cover the increased cost of processing license suspension orders.

8. DOT already receives some revenue associated with suspending driver's licenses. The \$50 license reinstatement fee provides a source of transportation fund revenue that would not be available if licenses were not suspended. However, the \$50 fee does not completely compensate DOT for processing license suspensions and reinstatements. This is because not all license suspensions result in reinstatement. Further, it is not unusual for a license to be suspended several times before it is reinstated. When the license is reinstated, each of these suspensions must be cleared. Since each suspension takes time to process and then clear, and only one \$50 reinstatement fee is charged, the fee is often not sufficient to pay the entire cost of the suspension and

reinstatement. However, at least some of the cost of processing the suspension and reinstatement is recovered from the person whose license was suspended.

9. DOT estimates that the total, annual cost of processing suspensions, revocations, license reinstatements and occupational licenses is over \$15 million. This includes the cost of staff time taken to answer inquiries regarding license withdrawal and reinstatement over the phone and at DMV service centers, as well as departmental overhead costs associated with these functions. The total amount of revenue from license reinstatement and occupational license fees is about \$4.3 million.

10. While the person whose license is suspended may pay a portion of the cost of processing the suspension if the license is reinstated, the courts who order the suspension do not pay. It may be desirable to offer this service to local governments, but a service that is offered at no charge may be overused. Although they would rather not pay, it seems likely that local governments would pay for a service that helps collect unpaid forfeitures. Currently, DOT suspends vehicle registrations of people who do not pay parking tickets. Despite the fact that municipalities must pay a \$5 fee for this service, the number of registration suspensions has generally increased over the past five years. If the Committee believes that some fee would be appropriate to discourage courts from ordering suspensions in cases where payment of the forfeiture seems unlikely, but that a fee covering the full cost would be too high, the fee could be limited to the cost of processing the suspension or \$5, whichever is lower.

11. The bill would give the courts the authority to charge a fee to the person whose license is being suspended to recover all or a part of the cost of paying the fee to DOT. Some representatives of the courts have argued that people who do not pay forfeitures would be unlikely to pay this additional fee. In this case, the entire cost would be borne by the courts. However, if it is unlikely that the person would pay the fee to the court, it may also be unlikely that the person would pay the forfeiture and the license reinstatement fee. In these cases, license suspension may be an ineffective sanction for the courts to impose.

12. One alternative to the court fee that would increase revenue to support the costs of license suspension would be to increase the reinstatement fee by \$10, from \$50 to \$60. This revenue would be deposited in the transportation fund and could be appropriated for DMV to pay the cost of the suspensions and reinstatements. Since DOT indicates that the \$50 fee (plus revenue from occupational license fees) does not cover the full cost of processing suspensions, revocations, reinstatements and occupational licenses, raising the reinstatement fee would allow some of the additional cost to be covered. If the number of people filing applications for reinstatement stays at the same level as in 1998 (about 70,000), then raising the reinstatement fee by \$10 would produce about \$700,000 on an annual basis.

13. While increasing the reinstatement fee would increase the revenue associated with processing license suspensions and reinstatements, it would likely not reduce the number of license suspensions ordered in cases where payment of the underlying forfeiture is unlikely. It would also require persons who comply with the court's judgement to pay for more of the costs of processing

the license suspensions for those who do not comply with the court's judgement.

**ALTERNATIVES TO BASE**

1. Approve the Governor's recommendation to require DOT to promulgate an administrative rule to develop and administer a system for charging a fee to circuit courts and municipal courts for each order of the court that suspends or revokes a person's driver's license solely for the failure to pay a forfeiture imposed for violating a local ordinance that is unrelated to the violator's operation of a vehicle. Specify that the amount of the fee established by the rule may not exceed the cost of processing a license suspension or revocation order. Prohibit DOT from processing such an order unless the court has paid any fee required by the rule. Permit circuit courts and municipal courts to require a person to pay a fee when his or her license is ordered suspended or revoked under these circumstances.

2. Approve the Governor's recommendation to require DOT to promulgate an administrative rule to develop a fee charged to circuit courts or municipal courts for each order of the court that suspends or revokes a person's driver's license solely for the failure to pay a forfeiture imposed for violating a local ordinance that is unrelated to the violator's operation of a vehicle, but limit the amount of the fee to the cost of processing the suspension or \$5, whichever is less.

3. Raise the license reinstatement fee by \$10, first applying to applications for reinstatement on the first day of the third month beginning after the effective date of the bill. Increase estimated transportation fund revenue by \$466,700 in 1999-00 and \$700,000 in 2000-01 to reflect this change.

<b>Alternative 3</b>	<b>SEG</b>
1999-01 REVENUE (Change to Base)	\$1,166,700
[Change to Bill]	\$1,166,700]

4. Maintain current law.  
*delete the governor's req*

Prepared by: Jon Dyck



1999

Date (time) needed

SOON

LRB b 0299, 1

LFB BUDGET AMENDMENT  
[ONLY FOR LFB]

PEN: jlg:

See form AMENDMENTS — COMPONENTS & ITEMS.

LFB AMENDMENT  
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

#. Page 913, line 23: delete lines 23 to 25. ✓

#. Page 914, line 1: delete lines 1 to 9. ✓

#. Page 1231, line 19: delete " and the fee required  
under 5. 85.135, " ✓

#. Page 1312, line 7: delete lines 7 to 17. ✓

#. Page 1313, line 10: delete lines 10 to 13. ✓

#. Page 1317, line 16: delete lines 16 to 23. ✓



1999

~~AMENDMENTS~~

LRB 0299 / 1 / 1

Pew :     :    

~~AMENDMENT ITEM~~

~~See form AMENDMENTS — COMPONENTS & ITEMS.~~

#. Page <sup>1318</sup>....., line.....: delete lines 10 to 17. ✓

#. Page <sup>1328</sup>....., line 23: delete lines 23 to 25.

#. Page <sup>1329</sup>....., line.....: delete lines 1 to 13. ✓

#. Page <sup>1338</sup>....., line 25: delete that line. ✓

#. Page <sup>1339</sup>....., line.....: delete lines 1 to 22. ✓

#. Page <sup>1340</sup>....., line 4: delete lines 4 to 19. ✓

#. Page 1464, line 1: delete lines 1 to 4.

(END) ✓



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb02997  
PEN:jlj:kjf

SOON

(12)

LFB:.....Dyck - Paper 957, Driver's license withdrawal for failure to pay  
forfeiture—court fee

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

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TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

#. Page 1231, line 18: delete "and" and substitute "and".

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- 5 4. Page 1312, line 7: delete lines 7 to 17.
- 6 5. Page 1313, line 10: delete lines 10 to 13.
- 7 6. Page 1317, line 16: delete lines 16 to 23.
- 8 7. Page 1318, line 10: delete lines 10 to 17.
- 9 8. Page 1328, line 23: delete lines 23 to 25.
- 10 9. Page 1329, line 1: delete lines 1 to 13.





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb0299/2  
PEN:jljgf

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7 **6.** Page 1313, line 10: delete lines 10 to 13.

8 **7.** Page 1317, line 16: delete lines 16 to 23.

9 **8.** Page 1318, line 10: delete lines 10 to 17.

10 **9.** Page 1328, line 23: delete lines 23 to 25.

