

DATE: September 28, 2015
TO: All Interested Parties
FROM: Robin R. Risko, Senior Fiscal Analyst
RE: Traffic Citation Revenue

This memorandum outlines the distribution of funds from traffic citations issued in Michigan. In 2014, 1.3 million new traffic-related civil infraction filings were reported statewide to the State Court Administrative Office. A conservative estimate for the amount of revenue generated by traffic violations would be \$120-\$150 million.

The Michigan Vehicle Code, (MVC), Public Act 300 of 1949, 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. Based on the Michigan Vehicle Code, there are three types of revenue associated with a traffic citation: fines, courts costs, and statutory assessments.

Fines are the penalty portion of the citation money. Distribution of a civil infraction fine is governed by MCL 257.909. Court costs are the portion of the citation money used to pay the expenses, direct and indirect, associated with prosecuting the citations, as authorized by MCL 257.907(4). Statutory assessments are additional charges applied to most violations pursuant to MCL 257.907(14) to fund specific programs.

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

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

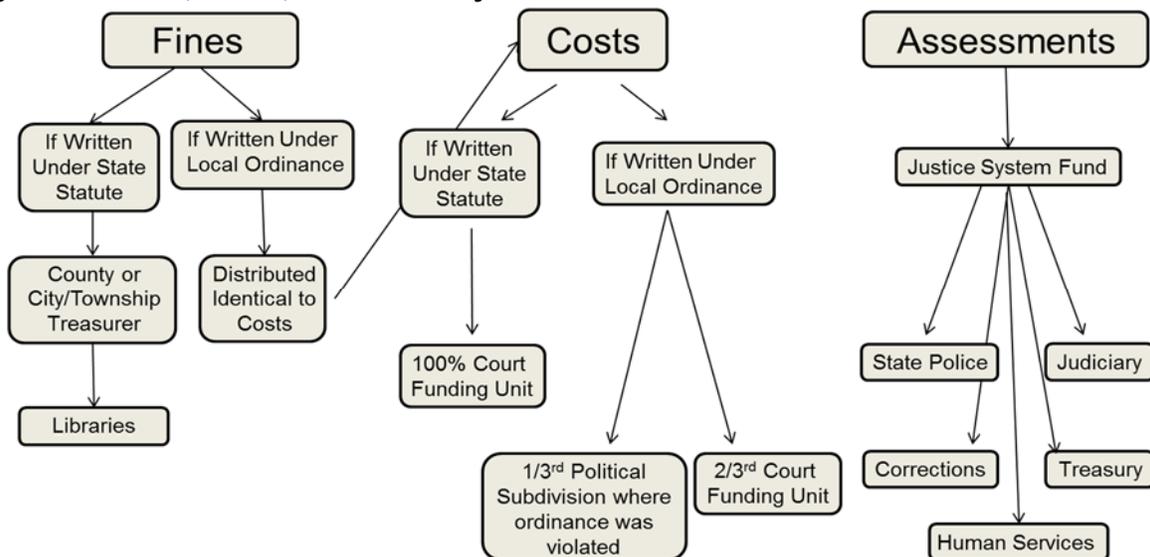


Figure 2 presents a sample of the various recommended ranges for fines and court costs (applicable only to first-time-offenders, responsibility-admitted, non-accident violations) as prepared by the State Court Administrative Office; these ranges serve only as guidelines. Individual district courts are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

Figure 2 – Range of Fines and Costs

2014
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	Total
SPEED VIOLATIONS:							
Exceed Posted Speed Limits	627, 628, R412 629, 631		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
Exceed Speed Limit in Work Zone	627(9)		2105	Double ¹	\$35 - \$53	\$40	\$110 - \$128 + fine
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 ²	1 - 5 MPH		
				\$20 ²	6 - 10 MPH		
				\$30 ²	11 - 15 MPH		
				\$40 ²	16 - 25 MPH		
				\$50 ²	26+ MPH		

1 Fine double what otherwise prescribed for that moving violation.

2 Minimum fine required.

Source: State Court Administrative Office

Fine and court 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 court cost distributions under each set of circumstances, and the resulting change in how fine and court cost revenue is allocated. For all of these examples, the \$40 Justice System Assessment (JSA) remains the same and is mandatory on all traffic civil infractions except parking or when fine and cost total is \$10 or less.

Figure 3 – Distribution of Fines and Costs

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 → 1/3 Political Subdivision Whose Ordinance was Violated 2/3 Court Funding Unit	Treasurer of Court Funding Unit → 1/3 Political Subdivision 2/3 Court Funding Unit
			Cost to Compel Appearance ³ → 100% Governmental Unit Incurring the Cost
	District and Municipal Court: Commercial Vehicle ³	County Treasurer → 30% Libraries 70% Political Subdivision in Which Citation was Issued ⁴	Treasurer of Court Funding Unit → 1/3 Political Subdivision 2/3 Court Funding Unit
			Cost to Compel Appearance ³ → 100% Governmental Unit Incurring the Cost

1 See Michigan Constitution of 1963, Article 8, Section 9. Also, MCL 600.8379, 600.8831, and 257.909(1).

2 See MCL 600.8379, 257.907, and 600.8727(3). In District Courts, the minimum state cost is distributed to the state pursuant to MCL 600.8381.

3 See MCL 257.729.

4 Applicable to all civil infraction violations written to commercial motor vehicles and commercial vehicles for offenses corresponding to Chapter 479 of the Motor Carrier Act, MCL 479.1, the Motor Carrier Safety Act, MCL 480.11, and chapters VI and VII of the Michigan Vehicle Code, MCL 257.601-750 and MCL 257.901-923.

Source: State Court Administrative Office

Violations Under State Statute

For traffic violations under a state statute, all court costs go toward 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 Michigan Vehicle Code in 1978 when a number of previously criminal violations were downgraded to civil violations.

Public libraries 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 2014, these revenues totaled \$25.2 million, with \$24.8 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 violations is distributed to 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 to libraries, and the remaining 70% of fines paid going to the local unit of government whose ordinance was violated. The court costs are distributed in the same fashion as court costs are distributed for a non-commercial vehicle violation.

Justice System Assessment

The Justice System Assessment (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 (\$50), and felonies (\$68). These assessments are deposited into the Justice System Fund (JSF), and then distributed to other funds and programs.

The JSF was created by Public Act 97 of 2003 (MCL 600.181) and combined a series of funds that were previously paid 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 the assessment is distributed according to a percentage formula.

Figure 4 shows the distribution of JSF funds in FY 2013-14, according to numbers reported by the State Court Administrative Office. The JSF is distributed to a variety of funds administered by the Departments of State Police, Corrections, Health and Human Services, and Treasury and the Judiciary and Legislature. A more detailed description of these funds is available in a separate HFA memo titled "Justice System Fund Overview."

Figure 4 – FY 2013-14 JSF Distribution

Funding Recipients	Distribution Rate	Amount Distributed (Millions)
State Police		
Secondary Road Patrol and Training Fund	\$10/Paid Traffic Civil Infraction	\$9.7
Highway Safety Fund	23.66%	10.5
Michigan Justice Training Fund	11.84%	5.3
State Forensic Laboratory Fund/DNA	5.35%	2.4
Corrections		
Jail Reimbursement Program Fund	11.84%	5.3
Health and Human Services		
Sexual Assault Victim's Medical Forensic Intervention and Treatment Fund	2.65%	1.2
Children's Advocacy Center Fund	1.85%	0.8
Legislative Retirement System	1.10%	0.5
Judiciary		
Drug Treatment Court Fund	2.73%	1.2
State Court Fund	12.69%	5.7
Court Equity Fund	24.33%	10.8
State Court Administrative Office	0.98%	0.4
Treasury	0.98%	0.4
Total	100.0%	\$54.2