

# FISCAL BRIEF



## TRAFFIC CITATION REVENUE

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### FAST FACTS

- There are three types of revenue associated with traffic citations: fines, court costs, and statutory assessments.
- Fines are the penalty portion of the citation money; distribution is governed by statute.
- Court costs are used to pay expenses associated with prosecuting citations.
- Statutory assessments are additional charges applied to most violations 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 enforcement agencies, and the Justice System Fund.

### INTRODUCTION

This document outlines the distribution of funds from traffic citations issued in Michigan. In FY 2021-22, 629,498 new traffic-related civil infraction filings were reported statewide to the State Court Administrative Office. A conservative estimate for revenue generated by traffic violations annually is roughly \$120.0 million.

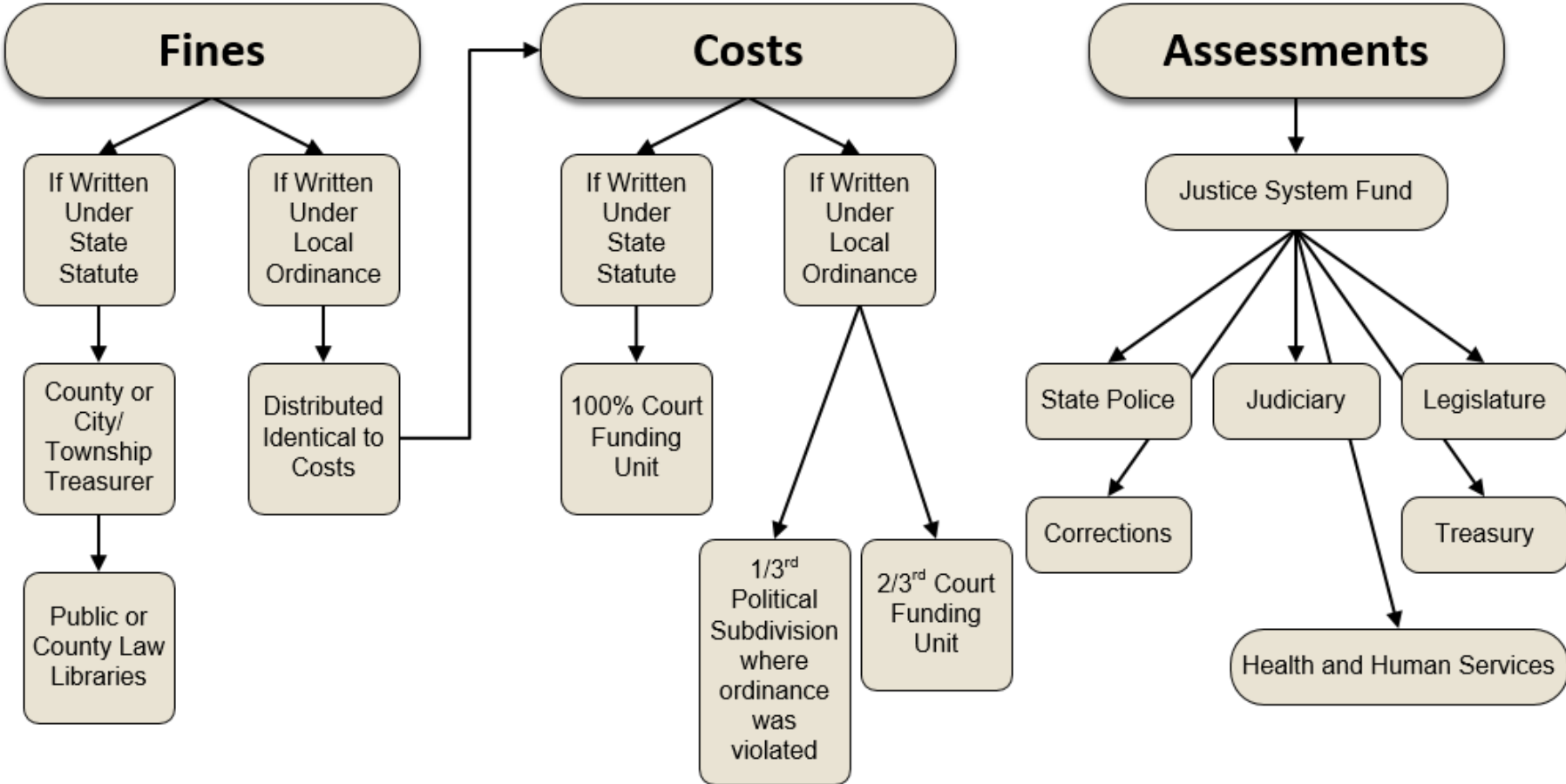
### REVENUE FROM TRAFFIC CITATIONS

The Michigan Vehicle Code (MVC), Public Act 300 of 1949, governs the operation of vehicles in the state, including regulation of traffic. The Michigan Vehicle Code establishes certain minimums and maximums and allows district courts to establish a schedule of fines and court costs to be collected for civil infractions designated by the code. Based on the Michigan Vehicle Code, there are three types of revenue associated with a traffic citation: fines, court 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(13) 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 enforcement 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, as well as the Legislature and the Judiciary. **Figure 1** on the next page outlines how this revenue is distributed.

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



**Figure 2** presents a sample of 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.

The State Court Administrative Office annually publishes and distributes these recommended ranges to each district court according to MCL 257.907(8).<sup>1</sup>

<b>Figure 2 – Range of Fines and Costs</b>							
<b>2022 Recommended Range of Fines and Costs for Civil Infractions For First-Time Offenders, Responsibility Admitted, Non-Accident Violations</b>							
<b>CIVIL INFRACTION</b>	<b>MVC</b>	<b>UTC</b>	<b>SOS</b>	<b>Fine</b>	<b>Costs</b>	<b>JSA</b>	<b>Total</b>
<b>SPEED VIOLATIONS:</b>							
Exceed Posted Speed Limits	627, 628, 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
Exceed Speed Limit in Work Zone	627(9)		2105	Double <sup>1</sup>	\$35 - \$53	\$40	\$75 - \$93 + fine
<b>SPEED ON LIMITED ACCESS FREEWAY:</b>							
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 <sup>2</sup>	1 - 5 MPH		
				\$20 <sup>2</sup>	6 - 10 MPH		
				\$30 <sup>2</sup>	11 - 15 MPH		
				\$40 <sup>2</sup>	16 - 25 MPH		
				\$50 <sup>2</sup>	26+ MPH		

(UTC means Uniform Traffic Code and SOS means Secretary of State)

1 Fine that is double the fine otherwise prescribed for that moving violation. MCL 257.601b. Doubled fine may exceed \$100. Costs and other assessments not doubled.

2 Minimum fine required. MCL 257.629c.

Source: State Court Administrative Office

<sup>1</sup> To see the full list of recommended ranges for 2022, please go to [https://www.courts.michigan.gov/490d7c/siteassets/court-administration/resources/fc\\_ci.pdf](https://www.courts.michigan.gov/490d7c/siteassets/court-administration/resources/fc_ci.pdf)

Fine and court cost distributions vary depending on whether a traffic citation is written under state statute or a local ordinance, whether a vehicle is commercial or non-commercial, and whether or not the ordinance violated is in 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 these examples, the \$40 Justice System Assessment (JSA) remains the same and is mandatory for all traffic civil infractions except parking or when the fine and cost total is \$10 or less.

<b>Figure 3 – Distribution of Fines and Costs</b>			
	<b>Violation Type</b>	<b>Fine<sup>1</sup></b>	<b>Cost<sup>2</sup></b>
<b>Statute</b>	<b>District Court:</b> All Violations Regardless of Vehicle Type	County Treasurer → Libraries	Treasurer of Court Funding Unit → Court Funding Unit
	<b>Municipal Court:</b> 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
	<b>Municipal Court:</b> All Other Violations Regardless of Vehicle Type	County Treasurer → Libraries	County Treasurer → Court Funding Unit
<b>Ordinance</b>	<b>District and Municipal Court:</b> 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 <sup>3</sup> → 100% Governmental Unit Incurring the Cost
	<b>District and Municipal Court:</b> Commercial Vehicle <sup>3</sup>	County Treasurer → 30% Libraries 70% Political Subdivision in Which Citation was Issued <sup>4</sup>	Treasurer of Court Funding Unit → 1/3 Political Subdivision 2/3 Court Funding Unit
			Cost to Compel Appearance <sup>3</sup> → 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), 600.8827(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 VIII of the Michigan Vehicle Code, MCL 257.601-750 and MCL 257.901-923, including corresponding sections of the Motor Vehicle Code adopted by reference. See also MCL 600.8379(e), 257.909(1).

Source: State Court Administrative Office

## VIOLATIONS UNDER STATE STATUTE

For traffic violations under a state statute, all court costs go to 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 public 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 county law libraries receive the entirety of penal fines collected, which include fines from traffic tickets written under state statute. The total revenue from penal fines is reported by the Library of Michigan, which releases an annual report detailing how they are distributed. While this report does not differentiate traffic fines from all other violations for which fines are collected, it does provide information on the total amount of money libraries receive from such fines. According to the most recent report, in FY 2021-22, penal fine revenues totaled \$20.4 million. The majority of that revenue, \$20.0 million in FY 2021-22, or 98%, is distributed to public libraries and the remainder, \$387,550 in FY 2021-22, is distributed to county 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 affects only tickets written under state statute in the City of Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Shores, Grosse Pointe Park, and Grosse Pointe Woods. All other traffic civil infractions are 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% 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 paid on all traffic-related civil infractions. A similar fee, often referred to as Minimum State Cost Assessment, 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 independently 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 MCL 600.181, \$10 of each JSA is distributed to the Secondary Road Patrol Fund. The remainder of the assessment is distributed according to a statutory formula as percentages of the remaining balance.

**Figure 4** shows the distribution of JSF funds in FY 2021-22, 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, as well as to the Legislative Retirement System and the Judiciary. A more detailed description of these funds is available in a separate House Fiscal Agency fiscal brief titled *Justice System Fund*.<sup>2</sup>

<b>Figure 4 – FY 2021-22 Justice System Fund Distribution</b>		
<b>Funding Recipient</b>	<b>Distribution Rate</b>	<b>Amount Distributed (Millions)</b>
<b>State Police</b>		
Secondary Road Patrol and Training Fund	\$10/Paid Traffic Civil Infraction	\$5.8
Highway Safety Fund	23.66%	\$6.5
Michigan Justice Training Fund	11.84%	\$3.2
State Forensic Laboratory Fund/DNA	5.35%	\$1.5
<b>Corrections</b>		
Jail Reimbursement Program Fund	11.84%	\$3.2
<b>Health and Human Services</b>		
Sexual Assault Victim’s Medical Forensic Intervention and Treatment Fund	2.65%	\$0.7
Children’s Advocacy Center Fund	1.85%	\$0.5
<b>Legislative Retirement System</b>		
	1.10%	\$0.3
<b>Judiciary</b>		
Drug Treatment Court Fund	2.73%	\$0.7
State Court Fund	12.69%	\$3.5
Court Equity Fund	24.33%	\$6.6
State Court Administrative Office	0.98%	\$0.3
<b>Treasury</b>		
	0.98%	\$0.3
<b>Total</b>	<b>100.0%</b>	<b>\$33.1</b>

Source: State Court Administrative Office

<sup>2</sup> House Fiscal Agency brief titled *Justice System Fund* can be found at [https://www.house.mi.gov/hfa/PDF/Alpha/Fiscal\\_Brief\\_Justice\\_System\\_Fund\\_Feb2023.pdf](https://www.house.mi.gov/hfa/PDF/Alpha/Fiscal_Brief_Justice_System_Fund_Feb2023.pdf)