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## 'Crash fees' are form of hidden taxation

### Municipalities increasingly charge drivers for accident-related costs

#### The Detroit News

Fees for government services ought, in general, to be a matter of choice. Citizens can choose to visit a state park and pay an entrance fee, or choose to pay a fee for a hunting or fishing license. They shouldn't have to pay a fee for essential services such as police and fire protection.

But that's a growing trend in the Midwest, including Michigan. According to Pete Kuhnmuensch, executive director of the Michigan Insurance Institute, which represents insurance industry interests, about 18 Michigan communities are either considering or have adopted fees for police, emergency rescue and fire services for crashes.

They often bill out-of-town motorists' insurance companies for the costs of dealing with an auto or truck wreck. Are these fees reasonable?

Local officials point to the high cost of dealing with car wrecks or truck crashes on the major highways or freeways that slice through their jurisdictions. And their budgets are being pinched.

As Utica City Clerk Catherine McGrail put it, "you're going to see more of these fees. Our revenue stream is getting smaller and smaller." McGrail said her Macomb County city, which has adopted such fees, is likely to apply them against "big haulers" whose overturned trucks, particularly on M-59, "are stretching us thin."

Similarly, Richard Reaume, supervisor of Plymouth Township, which also has adopted an ordinance to impose fees for crashes, notes that thousands of vehicles pass through the Wayne County township on the adjoining freeway -- Interstate 275.

But it's worth remembering that all citizens of Michigan pay state taxes -- and the state is required to return at least 40 percent of all revenues to localities under the state Constitution. In practice, it does more than this through Proposal A, which supports local schools, but that should free up local taxes for other uses.

In effect, then, citizens are already paying for these services through state and local taxes. Now, there may be a reason to bill someone, in particular a trucking company, if the negligence of one of its drivers causes an oil or gravel spill that requires huge clean-up costs.

But while auto insurance policies may cover "reasonable and necessary" costs for treatment of injured motorists, this new trend toward crash fees was not anticipated. If the crash fee trend spreads, auto policies may go up in price -- which is a hidden form of taxation.

Localities that want to raise taxes should do so the old-fashioned way, not engage in cost-shifting ploys.

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