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House Bill 5504 (Substitute H-2 as reported by the Committee of the Whole)

Sponsor: Representative Rich Brown

House Committee: Transportation

Senate Committee: Transportation and Tourism

## **CONTENT**

The bill would amend the Michigan Vehicle Code to require applicants for hazardous material indorsements (H Vehicle Indorsements) on their licenses to provide their fingerprints to a law enforcement official; require the Secretary of State to revoke the H Vehicle Indorsements of those who were convicted of certain terrorism-related crimes; and postpone from April 1, 2002, to March 31, 2003, the expiration of the 50-cent tire disposal surcharge imposed for a certificate of title.

Under the bill, an applicant for an operator's or chauffeur's license with a vehicle group designation and a hazardous material indorsement would have to have his or her fingerprints taken by a law enforcement official or designated representative for investigation, as required by the Federal "USA Patriot Act".

The Secretary of State would be required to revoke for life the vehicle group designations on a driver's license if a licensee were convicted of a crime under Chapter 83-A of the Michigan Penal Code. (Chapter 83-A, proposed by Senate Bill 930, would be a new chapter of the Code titled the "Michigan Anti-Terrorism Act".) A person's H Vehicle Indorsement also would have to be revoked if the Secretary of State received notice from the U.S. Department of Transportation that the person posed a security risk warranting denial under the USA Patriot Act. Under the Vehicle Code, the Secretary of State is prohibited from issuing an original vehicle group designation to an applicant who has had his or her license suspended or revoked under certain circumstances; has been disqualified from operating a commercial motor vehicle; or is subject to various other conditions. The bill would retain this requirement, and further prohibit the Secretary of State from issuing a vehicle *indorsement* to anyone guilty of or subject to the same infractions or conditions. The bill would take effect May 1, 2002.

MCL 257.307 et. al

Legislative Analyst: Claire Layman

## **FISCAL IMPACT**

This bill would have a minimal fiscal impact on the Department of State. The fingerprint and background investigations required by the Federal Act are routinely conducted by the Department of State Police at a cost of \$15 for State criminal history background checks, \$30 for State level fingerprint record checks, and \$24 for FBI background checks. This cost is assumed by the applicant and is revenue-neutral for the State. The Department of State reports that it issues approximately 30,000 hazardous material indorsements a year. This would result in \$1,350,000 collected for State background checks and \$720,000 for Federal background checks, for a total of \$2,070,000.

The bill also would extend for one year the 50-cent tire disposal surcharge. This fee generated \$1,610,302 in fiscal year 2000-01 and a similar amount in the three preceding fiscal years. The fee benefits the Scrap Tire Regulatory Fund.

Date Completed: 3-12-02

Fiscal Analyst: Jessica Runnels