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Senate Bills 507 through 509 (as introduced 6-3-21)
Sponsor: Senator Kevin Daley (S.B. 507)
Senator Ruth Johnson (S.B. 508)
Senator Curtis S. VanderWall (S.B. 509)
Committee: Committee of the Whole

Date Completed: 6-10-21

CONTENT

Senate Bill 507 would amend the Michigan Vehicle Code to do the following:

- Require the Department of State to provide a written report within 30 days after the bill's effective date to the Senate Majority Leader, the Speaker of the House of Representatives, and the chairpersons of the Senate and House of Representatives Appropriations Committees detailing its plan to reopen all Secretary of State (SOS) branches to the general public for in-person services, without the requirement of an appointment or preregistration.
- Prohibit the SOS from charging certain fees prescribed by the Code until the SOS resumed providing adequate in-person services.
- Specify that a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that expired on or after March 1, 2020, would be valid until September 30, 2021.
- Specify that a registration issued to any vehicle described above that was used for commercial purposes and expired March 1, 2020, would be valid until September 30, 2021.
- Specify that a commercial vehicle, trailer, or semitrailer issued a registration under an international registration plan that expired on or after March 1, 2020, would be valid until September 30, 2021.
- Provide that an operator's or chauffeur's license that expired on or after March 1, 2020, would be valid until September 30, 2021.
- Provide that a temporary instruction permit, an original operator's license with a graduated licensing provision, a temporary driver education certificate, a commercial learner's permit, and a motorcycle instruction permit that expired on or after March 1, 2020, would be valid until September 30, 2021.
- Waive, from July 1, 2020, to August 31, 2021, requirements to satisfy Federal regulations and present medical certification for a commercial learner's permit, a vehicle group designation, or a vehicle indorsement under the Waiver in Response to the COVID-19 National Emergency or any extension of that waiver issued after August 31, 2021.
- Prohibit the SOS from assessing late fees on registered vehicles whose registration expired on or after March 1, 2020, and whose registration was renewed before September 30, 2021.

Senate Bill 508 would amend the Enhanced Driver License and Enhanced Official State Personal Identification Card Act to do the following:

- **Specify that an enhanced driver license or enhanced official State personal identification (ID) card that expired on or after March 1, 2020, would be considered valid until September 30, 2021.**
- **Require the SOS to process an application as a renewal of an existing enhanced driver license or enhanced official State personal ID card if it received an application to renew an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, before September 30, 2021.**
- **Prohibit the SOS from assessing a late renewal fee for an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, and was renewed before September 30, 2021.**
- **Prohibit the SOS from assessing a late renewal fee under the Act until the SOS resumed providing adequate in-person services.**

Senate Bill 509 would amend Public Act 222 of 1976, which governs the form, issuance, and use, of an official State personal ID card, to do the following:

- **Specify that an ID card expiring on or after March 1, 2020, would be considered valid until September 30, 2021.**
- **Specify that if the SOS received an application to renew an ID card that expired on or after March 1, 2020, before September 30, 2021, the SOS would have to process the application as a renewal of an existing ID card.**
- **Prohibit the SOS from assessing a late renewal fee for an official State personal ID card that expired on or after March 1, 2020, and was renewed before March 31, 2021.**

The bills are tie-barred, and each bill specifies that its provisions are intended to be retroactive and apply retroactively from April 1, 2021.

Senate Bill 507

In-Person Services Requirement

Under the bill, within 30 days after the bill's effective date, the Department would have to provide a written report to the Senate Majority Leader, the Speaker of the House of Representatives, and the chairpersons of the Senate and House of Representatives Appropriations Committees detailing its plan to reopen all SOS branches to the general public for in-person services, without the requirement of an appointment or preregistration. The report would have to include all the following:

- The number of staff that would return to in-person work.
- The way the Department would transition returning staff back to in-person.
- The way the Department would notify members of the public that its branches were open for in-person services, without the requirement of an appointment or preregistration.
- How the Department would prioritize customers who were unable to renew essential documents beginning March 24, 2020, because of the closing of its branches and appointment-only policy.
- The SOS's plans to ensure the safety of the staff and customers in reopened branches.
- Details on hours of operations for reopened branches.
- How the Department would use kiosks and automated services at reopened branches.

The Code allows the Department to provide a commercial look-up service of records maintained under it. For each record looked up, the Department must charge a fee specified annually by the Legislature, or if the Legislature does not specify a fee, a market-based price established

by the SOS. Under the bill, if, on the bill's effective date, the SOS did not provide adequate in-person services, this fee could not be charged until the SOS resumed providing adequate in-person services. "Adequate in-person services" would mean a minimum of 25 hours a week of in-person services, without the requirement of an appointment or preregistration, provided on a consistent basis in all SOS branches in the State.

The Code also prescribes registration fees for certain vehicles depending on the empty weight and use of the vehicle. Until October 1, 2023, the Code requires the registration fee for certain vehicles with an empty weight over 10,000 pounds to be increased as follows:

- A regulatory fee of \$2.25 that must be credited to the Traffic Law Enforcement and Safety Fund and used to regulate highway safety.
- A fee of \$5.75 that must be credited to the Transportation Administration Collection Fund.

The bill specifies that, if on the bill's effective date, the SOS did not provide adequate in-person services, the \$5.75 fee could not be charged until the SOS resumed providing adequate in-person services.

General Registration Expiration

Under the Code, except as otherwise provided, a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that expires on or after March 1, 2020, is valid until March 31, 2021. If the registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that is used for commercial purposes expires on or after March 1, 2020, the registration is valid until March 31, 2021. The Code also specifies that a properly assigned title or signed lease agreement from any person other than a dealer is considered proof of registration of the vehicle until March 31, 2021.

Under the bill, the registrations described above would be valid until September 30, 2021.

Except as provided below, the Code specifies that a vehicle registration issued by the SOS expires on the owner's birthday, unless another expiration is provided for under the Code or unless the registration is for the following vehicles, in which case registration expires on the last day of February:

- A commercial vehicle except for a commercial vehicle issued a registration under the international registration plan or a pickup truck or van owned by an individual.
- Except for a trailer or semitrailer issued a registration under the international registration plan, a trailer or semitrailer owned by a business, corporation, or person other than an individual.

In addition, the expiration date for a registration issued for a motorcycle is the motorcycle owner's birthday.

The Code also specifies that a vehicle registration or a motorcycle registration described above that expires on or after March 1, 2020 is valid until March 31, 2020. Under the bill, these registrations would be valid until September 30, 2021.

Commercial Vehicle Registration

Under the Code, in the case of a commercial vehicle, trailer, or semitrailer issued a registration under the international registration plan, the SOS in mutual agreement with the owner may assign or reassign the expiration date of the registration. However, the expiration date agreed

to must be the last day of a calendar month. Notwithstanding these provisions, a commercial vehicle, trailer, or semitrailer registration that expires on or after March 1, 2020, is valid until March 31, 2021. Under the bill, the registrations described above would be valid until September 30, 2021.

(The international registration plan provides licenses to commercial vehicles to participate in interstate operations among states and territories involved in the agreement.)

Noncommercial Vehicle Registration

Under the Code, a person may not operate, nor may an owner knowingly permit to be operated, upon any highway, a vehicle required to be registered under the Code unless within 30 days after the vehicle is registered or the vehicle's registration is renewed, a valid registration plate issued for the vehicle by the SOS for the current registration year is attached to and displayed on the vehicle. The Code specifies that a noncommercial registration described above that expires on or after March 1, 2020, but is not renewed on or before March 31, 2021, is not in violation of the Code. A commercial vehicle registration described above that expires on or after March 1, 2020, but is renewed on or before March 31, 2021, also is not in violation of the Code.

Under the bill, neither a noncommercial vehicle registration described above, or a commercial vehicle registration described above, that expired on or after March 1, 2020, but was renewed before September 30, 2021, would be in violation of the Code.

Driver License

Under the Code, an individual may not drive a motor vehicle on a highway in the State unless the individual has a valid driver license with the appropriate group designation and indorsements for the type or class of vehicle being driven or towed. The Code specifies that a driver license that expires on or after March 1, 2020, is valid until March 31, 2021. Under the bill, a driver license that expired on or after March 1, 2020, would be valid until September 30, 2021.

The Code specifies that, except as otherwise provided, a driver license expire on the birthday of the individual to whom the license is issued in the fourth year following the date of the issuance of the license or on the date the individual is no longer considered to be legally present in the United States, whichever is earlier, unless the license is suspended or revoked before that date. The Code also specifies that, notwithstanding provisions of the Code related to the expiration of a driver license, a driver license that expires on or after March 1, 2020, is valid until March 31, 2021.

Under the bill, a driver license that expired on or after March 1, 2020, would be valid until September 30, 2021.

Instruction Permit & Graduated License

Under the Code, on receiving an application for a temporary instruction permit from an individual who is 18 years old or older, the SOS may issue a permit that entitles the applicant to drive a motor vehicle other than motor vehicles requiring certain indorsements or group designations on the highways for a period of 180 days when accompanied by a licensed adult driver. The Code specifies that a temporary instruction permit that expires on or after March 1, 2020, is valid until March 31, 2020.

Under the bill, a temporary instruction permit that expired on or after March 1, 2020, would be valid until September 30, 2021.

The Code allows the SOS to issue an original operator's license and designate level one, two, or three graduated licensing provisions to an individual who is less than 18 years old, has been licensed in another state or country, and has satisfied the applicable requirements of the Code. In addition, the SOS may issue an original driver license and designate level one, two, or three graduated licensing provisions to an individual who is less than 18 years old, has been licensed in another state or country, and has satisfied the applicable requirements of the Code. An original operator's license with a designated level one, two, or three graduated licensing provision as described above that expires on or after March 1, 2020, is valid until March 31, 2021.

Under the bill, an original operator's license with a designated level one, two, or three graduated licensing provision as described above that expired on or after March 1, 2020, would be valid until September 30, 2021.

Temporary Driver Education Permit

Under the Code, a student enrolled in a driver education course who successfully completed 10 hours of classroom instruction and the equivalent of two hours behind-the-wheel training may be issued a temporary driver education certificate that authorizes a student to drive a motor vehicle, other than a motor vehicle that requires an indorsement or a vehicle group designation as prescribed by the Code, when accompanied by a licensed parent or guardian, or when accompanied by a unlicensed parent or guardian and a licensed adult for the purpose of receiving additional instruction until the end of the student's driver education course. The Code specifies that a temporary driver education certificate that expires on or after March 1, 2020, is valid until March 31, 2021.

Under the bill, a temporary driver education certificate issued as described above that expired on or after March 1, 2020, would be valid until September 30, 2021.

Motorcycle Temporary Instruction Permit

Under the Code, on receiving proper application from an individual 16 or 17 years old who is enrolled in or has completed successfully an approved motorcycle safety course, or from an individual who is 18 years old or older and who holds a valid driver license, the SOS may issue a motorcycle temporary instruction permit that entitles the applicant, while carrying the permit, to operate a motorcycle on the public streets and highways for a period of 180 days under certain conditions. The Code specifies that a motorcycle temporary instruction permit that expires on or after March 1, 2020, is valid until March 31, 2021.

Under the bill, a motorcycle instruction permit that expired on or after March 1, 2020, would be valid until September 30, 2021.

Commercial Learner's Permit

Under the Code, the SOS may issue a commercial learner's permit that entitles an individual to drive a vehicle requiring a group designation or indorsement under the Code if certain conditions apply. The Code prescribes the circumstances under which an individual issued a commercial learner's permit may operate a vehicle requiring a vehicle group designation or indorsement. The Code also specifies that a commercial learner's permit is valid for one year from the date of issuance and that, notwithstanding this provision, a commercial learner's permit that expires on or after March 1, 2020, is valid until March 31, 2021.

Under the bill, notwithstanding the provision above, a commercial learner's permit that expired on or after March 1, 2020, would be valid until September 30, 2021.

Vehicle Group Designation or Indorsement

The Code prohibits the SOS from issuing a commercial learner's permit, a vehicle group designation, or a vehicle indorsement to an applicant for an original vehicle group designation or vehicle indorsement under the Code, and allows the SOS to cancel a permit, or all vehicle group designations or endorsements on an individual's driver license, if the applicant fails to satisfy Federal regulations by refusing to certify the type of commercial motor vehicle operation the applicant intends to perform and fails to present valid medical certification to the SOS if required to do so, among other circumstances. The Code specifies that the requirements to satisfy Federal regulations and present medical certification if required to do so are waived from July 1, 2020, to December 31, 2020, under the Waiver in Response to the COVID-19 National Emergency- For States, CDL Holders, CLP Holders, and Interstate Drivers Operating Commercial Motor Vehicles, or any extension of that waiver issued after December 31, 2020.

The Code also prohibits the SOS from renewing or upgrading a vehicle group designation if the applicant fails to meet the Federal requirements by refusing to certify the type of commercial motor vehicle operation the applicant intends to perform and fails to present valid medical certification to the SOS if required to do so, among other requirements. The Code specifies that the requirements to satisfy Federal regulations and present medical certification if required to do so are waived from July 1, 2020, to December 31, 2020, under the Waiver in Response to the COVID-19 National Emergency- For States, CDL Holders, CLP Holders, and Interstate Drivers Operating Commercial Motor Vehicles.

Under the bill, the requirements to satisfy Federal regulations and present medical certification as described above would be waived from July 1, 2020, to August 31, 2021, under the Waiver in Response to the COVID-19 National Emergency- For States, CDL Holders, CLP Holders, and Interstate Drivers Operating Commercial Motor Vehicles, or any extension of that waiver issued after August 31, 2021.

General Provisions

Under the Code, notwithstanding any other provision of the Code, a commercial driver license that expires on or after March 1, 2020 is valid until March 31, 2021. Under the bill, a commercial driver license that expired on or after March 1, 2020, would be valid until September 30, 2021.

The Code also specifies that a medical certification for operator's or chauffeur's license holders with a group designation required under 49 CFR 391.45 that expires on or after March 1, 2020 is valid until March 31, 2021. The bill specifies that a medical certification described above that expired on or after March 1, 2020 would be valid until September 30, 2021. (Title 49 CFR 391.45 specifies the individuals who must be medically examined and certified as physically qualified to operate a commercial motor vehicle.)

Late Fee Assessment

Under the Chapter VII (Registration Fees) of the Code, if the SOS does not receive certain taxes required to be paid on or before the expiration of a registration plate, it must collect a late fee. Notwithstanding any other provision in Chapter VII, the Code prohibits late fees from being assessed on the following vehicles:

- A vehicle registered under Section 801(1)(j) or (k) or Section 801g whose registration expires on or after March 1, 2020, and whose registration is renewed before March 31, 2021.
- All other vehicles registered under Chapter VII whose registration expires on or after March 1, 2020, and whose registration is renewed before March 31, 2021.

Instead, under the bill, late fees could not be assessed on the following vehicles:

- A vehicle registered under Section 801(1)(j) or (k) or Section 801g whose registration expired on or after March 1, 2020, and whose registration was renewed before September 30, 2021.
- All other vehicles registered under Chapter VII whose registration expired on or after March 1, 2020, and whose registration was renewed before September 30, 2021.

The bill specifies that, notwithstanding any other provision of Chapter VII, if on the bill's effective date, the SOS did not provide adequate in-person services, the SOS could not assess a late renewal fee under Chapter VII until the SOS resumed providing adequate in-person services.

(A vehicle registered under Section 801(1)(j) includes: 1) a truck weighing 8,000 pounds or less, and not used to tow a vehicle; 2) a privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit-making venture; and 3) a vehicle designed and used to tow a mobile home or a trailer coach. A vehicle registered under Section 801(1)(k) includes a truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles. Section 801g concerns vehicle registrations related to the international registration plan.)

Senate Bill 508

Under the Enhanced Driver License and Enhanced Official State Personal Identification Card Act, the SOS may issue an enhanced driver license or enhanced State personal ID card to an applicant who provides satisfactory proof of certain personal information. The Act specifies that an enhanced driver license or enhanced official State personal ID card that expires on or after March 1, 2020, is considered valid until March 31, 2021. Under the bill, an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, would be considered valid until September 30, 2021.

The Act requires an application for an original enhanced driver license or enhanced official State personal ID card to be accompanied by the payment of a fee of not more than \$50. The Act also prescribes a renewal fee of not more than \$50 for an enhanced driver license or enhanced official State personal ID card. If the SOS receives an application to renew an enhanced driver license or enhanced official State personal ID card that expires on or after March 1, 2020, before March 31, 2021, the SOS must process the application as a renewal of an existing license or ID card.

Under the bill, if the SOS received an application to renew an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, before September 30, 2021, the SOS would have to process the application as a renewal of an existing enhanced license or enhanced ID card.

The Act specifies that if an enhanced driver license or enhanced official State personal ID card is expired at the time of renewal, the fee is the same as that required for an original license or ID card. The bill would subject this requirement to the proposed provision below.

The Act also specifies that the SOS must not assess a late renewal fee for an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, and is renewed before March 31, 2021. Under the bill, the SOS could not assess a late renewal fee for an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, and was renewed before September 30, 2021. In addition, the bill would subject this requirement to the proposed provision below.

Notwithstanding any other provision of the Act, if on the bill's effective date, the SOS did not provide adequate in-person services, the bill would prohibit the SOS from assessing a late renewal fee under the Act until the SOS resumed providing adequate in-person services. "Adequate in person services" would mean a minimum of 25 hours a week of in-person services, without the requirement of an appointment or preregistration, provided on a consistent basis in all SOS branches in the State.

Senate Bill 509

Under Public Act 222 of 1972, an applicant for an official State personal ID card must pay a fee of \$10 to the SOS for each original or renewal ID card issued. The Act prohibits the SOS from assessing a late renewal fee for an official State personal ID card that expires on or after March 1, 2020, and is renewed before March 31, 2021. Under the bill, the SOS could not assess a late renewal fee for an official State personal ID card that expired on or after March 1, 2021 and was renewed before September 30, 2021.

The Act specifies that an original or renewal official State personal ID card expires on the birthday of the individual to whom it is issued in the fourth year following the date of issuance or on the date the individual is no longer considered to be legally present in the United States, whichever is earlier. Notwithstanding the provision above, the Act considers valid an official State personal ID card expiring on or after March 1, 2020, until March 31, 2021. If the SOS receives an application to renew an official State personal ID card that expires on or after March 1, 2020, before March 31, 2021, the SOS must process the application as a renewal of an existing ID card.

Under the bill, notwithstanding the provision that specifies the expiration date of an official State personal ID card, an ID card expiring on or after March 1, 2020, would be considered valid until September 30, 2021, and if the SOS received an application to renew an ID card that expired on or after March 1, 2020, before September 30, 2021, the SOS would have to process the application as a renewal of an existing ID card.

MCL 257.1a et al. (S.B. 507)
28.304 & 28.306 (S.B. 508)
28.292 (S.B. 509)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

Senate Bill 507

The bill likely would not have a significant fiscal impact on the Department of State, as the fees from renewals of registrations, certificates, endorsements, and driver licenses eventually would be collected by the Department, albeit at a later date than normal. However, the bill's provision regarding the suspension of the collection of commercial look-up fees would result in a reduction in revenue collections for the Department if the Secretary of State does not provide adequate in-person services as prescribed. The current commercial look-up fee charged is \$11 per record, and it generates an estimated \$4.5 million per month, which could

not be collected under the bill if Secretary of State branch offices remained operating on an appointment-only basis.

Regarding late fees, the Department could see a decrease in revenue as the Department of State would not be allowed to assess a late fee at renewal for a registration, certificate, endorsement, or license or registration that expired between March 1, 2020, and September 30, 2021. On average the Department of State collects an estimated \$965,000 per month in late fees for these renewals.

Senate Bills 508 and 509

The bills would have a negligible fiscal impact on the Department of State, as they would only delay the collection of those license and ID renewal fees. The proposal to waive the late fees for a renewal under certain circumstances could slightly decrease late fee revenue. The loss in revenue to the Department of State is indeterminate and would depend on the actual number of late fees that were waived.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.