



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1151 (as reported without amendment)
Sponsor: Senator Wayne A. Schmidt
Committee: Transportation and Infrastructure

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- Require the Secretary of State (SOS) to refuse the issuance or transfer of a registration if the SOS had received a notice from an operator of a toll bridge or tunnel that the applicant had failed to pay three tolls and that certain conditions were met as provided by the bill.
- Require the SOS to enter into an agreement at the request of an operator of a toll bridge or tunnel that satisfied the requirements to exchange data to aid in the enforcement of collecting unpaid tolls and prescribe requirements to the contents and uses of that data.
- Allow the operator of a toll bridge or tunnel to mail an individual a notice of unpaid toll that contained certain information if the individual failed to pay a toll.
- Allow an individual who received a notice of unpaid toll to dispute the alleged failure to pay the toll by sending a notice of dispute to the operator within 30 days after receiving the notice.
- Require an operator to decide on the disputed toll and send the individual who sent the notice of dispute a copy of the decision within 30 days after receiving the notice.
- Require the SOS to appoint a dispute arbitrator to decide appeals of an operator's decision on a dispute.
- Allow an operator to notify the SOS of an individual's failure to pay if the individual failed to pay three tolls to operate a vehicle on a toll bridge or tunnel in the State and the three tolls remained unpaid for more than 90 days after the individual received a notice of the three unpaid tolls.
- Require an operator to notify the SOS if an individual paid one of the three tolls or it was determined that the individual was not responsible for paying one or more of them.

MCL 257.219 et al.

Legislative Analyst: Tyler P. VanHuyse

FISCAL IMPACT

The bill would have an indeterminate negative fiscal impact on the Department of State. The bill's requirement for the Department to create agreements with toll bridge and tunnel operators in Michigan to exchange data would create significant information technology (IT) costs. The Department's current data collection framework for vehicle information data does not have the ability to comply with this requirement and would require additional hardware and software updates, which could be costly. That cost is indeterminate and would depend on the amount of IT that would need to be purchased or updated.

The bill also would require the SOS to withhold the registration or transfer of registration for any vehicle that had been flagged as having outstanding unpaid bridge or tunnel tolls until those tolls were paid in full. Any withheld registration or transfer of registration fees would have a negative impact on the Department's revenue. Based on fiscal year 2020-21 data, the

Department completed 9,771,600 vehicle registration transactions that raised \$1,445,569,300 in revenue for an average transaction cost of \$148 per registration. If the Department withheld registrations as specified under the bill, the cost to the Department would be \$148 per transaction, on average.

Finally, the bill would require the Department to hire a dispute arbitrator to decide appeals of an operator's decision on a disputed toll. Based on the Department's current salary scale, the cost for hiring a dispute arbitrator would be an estimated \$200,000 per year.

Date Completed: 9-28-22

Fiscal Analyst: Joe Carrasco, Jr.

SAS\Floor\sb1151

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.