



**House
Legislative
Analysis
Section**

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PAY SECRETARY OF STATE BY CREDIT CARD

House Bill 4665 as introduced
First Analysis (4-27-89)

Sponsor: Rep Joseph Young, Jr.
Committee: State Affairs

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THE APPARENT PROBLEM:

Currently, the secretary of state's office is authorized to accept a credit card, in lieu of cash or a check, for payment of vehicle fees and taxes, for boat registration fees, and for items purchased in the Michigan Historical Center store. The secretary of state's office suggests that it would be in the public interest if it could accept credit card payments for other transactions, such as Uniform Commercial Code fees, subscriptions to the Michigan History Magazine, snowmobile and off-road vehicle registration, and other license fees. It is also argued that those doing business with the secretary of state's office by mail would find it easier to fill in credit card information on a form than to write a check. What is needed, it is said, is a new act that would give the secretary of state across the board discretion to decide when credit cards may be accepted in lieu of cash or check.

THE CONTENT OF THE BILL:

The bill would create an act to allow the secretary of state's office to accept credit card payment in certain financial transactions. Under the bill, the secretary of state's office would determine which major credit cards could be accepted in lieu of cash, check, or money order, as payment of a tax, fee, price, or charge.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would result in no cost to the state. (4-26-89)

ARGUMENTS:

For:

The secretary of state's office is exploring the use of modern technology to serve its clients better. One approach being tested is the use of automatic teller machines and telephone answering machines for vehicle registrations that would give 24-hour service and would eliminate the need to conduct such transactions in person at local branch offices. Credit cards would be needed for these transactions, and probably for others, in the future. It makes sense to give the secretary of state across the board authority to allow the use of credit card payments, rather than granting this authority from year to year in piecemeal legislation.

POSITIONS:

The Department of State supports the bill. (4-26-89)

H.B. 4665 (4-27-89)

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