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FIVE-YEAR DRIVER'S LICENSE

House Bill 4669 (Substitute H-2)
First Analysis (6-3-93)

Sponsor: Rep. Richard A. Young
Committee: Transportation

THE APPARENT PROBLEM:

Under the Michigan Vehicle Code, a person's driver's license expires on his or her birthday in the fourth year following the date when the license was issued, with certain exceptions, and cannot be issued for a period of more than four years. Prior to 1975, the secretary of state issued licenses for three years, but moved to a four-year program when it determined that the state could save a substantial amount of money by not having to renew persons' driver's licenses so often. Now, with the state facing tight budget constraints and because federal law no longer limits the number of years for which licenses may be issued by states, some people believe Michigan should lengthen the period for which a driver's license may be issued from four years to five years.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to change the maximum length of time for which an operator's or chauffeur's driver's license could be issued (renewed) by the secretary of state from four

years to five years, and to raise driver's license fees to reflect the longer period that licenses would be valid. (An original driver's license, however, would expire on the licensee's birthday that occurred not less than five years but not more than six years following the date of its issuance.) Licenses would expire, as is presently the case, on the licensee's birthday, but in the fifth year (rather than the fourth year) following the date of issuance. The bill would take effect April 1, 1994.

The transition from the four-year to five-year format would be accomplished by a gradual phasing-in program over four years. Over the four years commencing with the effective date of the bill, the secretary of state would issue a certain number of five-year licenses to persons whose licenses had expired. Thus, during this period some people would receive four-year licenses and others five-year licenses. The fees for four-year licenses issued during the transition would be the same as they are currently, and fees for five-year licenses (and various other special licenses) would be increased according to the following schedule:

	<u>Current Fee (4 years)</u>	<u>Proposed Fee (5 years)</u>
<u>Unrestricted Licenses</u>		
Operator's	\$12.00	\$15.00
Chauffeur's	\$20.00	\$25.00
Orig'l. Motorcycle Indorsement	\$7.50	\$10.00
Renew'l. Mot. Indorsement	\$4.00	\$5.00
Vehicle Group Designation	\$20.00	\$25.00
Vehicle Group Indorsement	\$5.00	\$7.00
<u>2-year Restricted Licenses</u>		
Operator's Lic. Renewal	\$6.00	\$15.00
Chauffeur's Lic. Renewal	\$10.00	\$25.00
Mot. Indorsement. Original	\$6.00	\$10.00
Mot. Indorsement. Renewal	\$5.00	same
Vehicle Group Designation	\$20.00	\$25.00
Vehicle Group Indorsement	\$5.00	\$7.00

<u>Other Licenses</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Moped (Original)	\$7.50	\$15.00
Moped (Renewal)	\$6.00	\$15.00

The act currently requires a person to renew his or her driver's license in person at a secretary of state branch office at least once every eight years, but permits a license to be renewed by mail once every eight years. Under the bill, this provision would apply for a ten-year cycle, except that the secretary of state could not issue a renewal license by mail to licensees who were 71 years of age or older.

Under the act, a person may apply to renew his or her license not more than 45 days before it expires, except that if a licensee will be out of state during this period or cannot apply for a license within this period "for [another] good cause shown," application may be made not more than six months before the license expires. The bill would delete this entire provision and, instead, specifies that a licensee could apply for a renewal license at any time within 180 days before his or her license expired.

The act now directs \$2 of each four-year renewal motorcycle indorsement fee into the Motorcycle Safety Fund, which is used to fund motorcycle safety education programs. The bill would direct \$2.50 of each five-year renewal motorcycle indorsement fee into this fund. The bill would also direct \$5 for each person examined for a five-year operator's or chauffeur's license into the Driver Education Fund, used by local school districts to help fund their driver training programs. (Currently, \$4 of each examination done for a four-year driver's license goes into this fund.)

The bill would delete certain provisions (which expired March 31, 1992) that allowed a person with a "class 1, class 2 or class 3 indorsement" on a chauffeur's license to apply to renew his or her license 90 days before it expired.

MCL 257.307, et al.

FISCAL IMPLICATIONS:

According to the Department of State, the bill would enable the department to reduce its administrative costs by issuing driver's licenses once every five years rather than once every four years, and would increase revenues to the department

from some fee increases proposed in the bill. (Generally, the fees that would be adjusted upward to reflect the change of issuing five-year licenses rather than four-year licenses would be the same as they are now, based on their current annual cost.) The department said it has not yet determined either the amount it would save under the bill nor how much it would receive in additional revenue under the proposal, but said that most savings and additional revenue would be realized after the bill was fully implemented--four years after its effective date. (5-27-93)

ARGUMENTS:

For:

The bill would allow the secretary of state to issue driver's licenses for five years rather than four years, and thereby save money that it otherwise would have to spend for its administrative duties in having to renew licenses under the current four-year program. Back in 1975 when the state moved from a three-year renewal program to renewal every four years, federal regulations prohibited states from issuing licenses for more than four years; now, however, no federal limit exists. Seven states currently issue five-year licenses and one (Florida) issues renewal licenses once every six years. Though the bill would raise fees, most of the proposed fee changes merely reflect the move to a five-year renewal program and are not actual increases. By allowing the secretary of state to issue some four-year licenses and some five-year licenses in the first four years after it took effect, the bill would allow the department to ensure that driver's license revenue and the workload for issuing licenses would remain fairly stable during and after the transition period. And because other fees (for special restricted licenses) have not been adjusted in recent years, they should be raised to reflect the department's current costs in issuing them.

For:

By extending the period for driver's license renewal by an additional year, the bill would make the process of renewing a driver's license more convenient for most drivers as they would not have

to go to a secretary of state branch office to renew a license more than once every ten years. (They would have to renew in person once every ten years and could renew by mail once every ten years.) Most peoples' abilities to drive a motor vehicle do not vary much even over a five-year period, except perhaps those of older people. But even an older driver currently is permitted to get his or her license renewed by mail only once every eight years. The bill would reduce the danger that older drivers currently present to themselves and others on the road (which would be worse under a five-year renewal program) by adding a provision that would prohibit drivers who were 71 years old or older from renewing their licenses by mail.

Response:

As amended by the House Transportation Committee, the bill would discriminate against older people. The older driver is not necessarily the dangerous driver; such determinations should be made on a case-by-case basis, not with a discriminatory policy that applies to an entire group. If renewal by mail causes a problem, then it would be more fair to have drivers of all age groups renew licenses in person, allowing the secretary of state to screen those drivers who may pose a risk to themselves or others.

For:

Apparently, a number of people have complained about how expiration dates for original driver's licenses are computed. The act requires the secretary of state to count four years from a licensee's last birthday, which means an original license may be issued for terms ranging from three years and one day up to exactly four years--depending on when a person applies for an original license. The bill provides that original licenses would have to be issued for a minimum of five years.

Against:

The bill would permit drivers to operate a vehicle for longer periods of time without being tested. Currently, a driver must take an eye test and a written examination when applying for a license renewal. By lengthening the period between such examinations, the bill could encourage a situation where drivers would be driving without the appropriate physical and/or mental qualifications.

POSITIONS:

The Department of State supports the bill. (5-27-93)