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FIVE-YEAR DRIVER'S LICENSE

House Bill 4669 as passed by the House
Second Analysis (8-19-93)

Sponsor: Rep. Richard A. Young
House 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>		
	<u>Current Fee</u>	<u>Proposed Fee</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.

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, increased revenue would not be realized

until two years after the bill took effect, and cost savings not until the bill was fully implemented--about five years after its effective date. The department said it could not yet determine the amount of either cost savings or new revenue that would be realized under the bill. (It should be noted that license fees that would be raised to reflect the change of issuing five-year licenses rather than four-year licenses would, in fact, be the same as they are now, based on their current annual cost.) (8-19-93)

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:

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. In addition, the bill would make the process of having to renew a license more convenient for 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 during the same period).

POSITIONS:

The Department of State supports the bill. (8-19-93)

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 in person at a secretary of state's office at least once every eight years. By lengthening the period between such examinations to up to ten years, the bill could encourage a situation where persons would be driving without the appropriate physical, mental or emotional qualifications. This problem would be especially pronounced among older drivers, whose abilities to see and react quickly can degenerate much faster the older they get.

Response:

Even under the current four-year renewal process, changes in a person's physical, mental or emotional abilities affecting their ability to drive are as likely to occur immediately after a renewal in person takes place as before, which would enable such a person to drive for a number of years without the state knowing of any diminished driving skills. In fact, any such changes (i.e., worsening eyesight, the development of epilepsy, etc.) usually are discovered by a person or his or her doctor anyway, and generally acted upon by them appropriately (eyeglasses are prescribed and worn, special medicine is required and taken, or perhaps the ability to drive is limited by the doctor). Thus, it would seem that the benefits of requiring license renewals in person at least once every eight years simply do not justify the secretary of state's costs in having to process renewals twice for each driver (whether done by mail or in person) during the same period. As for older drivers, their ability to drive is not necessarily hindered by their age; it could be said that older drivers, due to their maturity and experience, operate vehicles more safely than do their teenage counterparts.