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BILL ANALYSIS

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House Bill 5569 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Representative Timothy Walberg
House Committee: Transportation
Senate Committee: Transportation and Tourism

CONTENT

The bill would amend the Michigan Vehicle Code to increase from \$7.50 to \$13.50 the fee for an original motorcycle endorsement on a chauffeur's or operator's license; increase from \$4 to \$5 the fee for a renewal endorsement; and increase from \$4 to \$10 the amount of the original endorsement fee, and from \$2 to \$3 the amount of the renewal fee, that is directed to the Motorcycle Safety Fund. The bill also would allow the Secretary of State to contract with a third party to conduct motorcycle operator driving tests and would require that fees from the driving tests be used to fund the costs incurred for the tests, instead of funding the motorcycle safety education program as currently required.

The bill specifies that beginning not later than June 1, 1997, the Secretary of State could enter into an agreement with another public or private person or agency to conduct a motorcycle operator driving test required under the Code. For administering and overseeing a third-party motorcycle testing program, the Secretary of State would have to be reimbursed from the Motorcycle Safety Fund a total amount that could not exceed 50% of the Department of State's 1995-96 fiscal year appropriation for motorcycle testing.

Under the Code, the Secretary of State is responsible for establishing and conducting the motorcycle operator driving test, and is required to charge a \$15 fee for each test. This fee must be placed in a Motorcycle Safety Fund and used only for funding the motorcycle safety education program. The bill would delete the reference to the education program, and require the fee, instead, to be used for funding the costs the Secretary of State incurred for each motorcycle operator driving test that had been conducted. In addition, the bill would delete a requirement that the Secretary of State be reimbursed from the Fund for additional reasonable costs incurred by the Department of State in developing and administering the driving test.

MCL 257.312b & 257.312c

Legislative Analyst: L. Burghardt

FISCAL IMPACT

The bill would result in an average annual increase of approximately \$220,000 to the Motorcycle Safety Fund.

The FY 1995-96 appropriation to the Department of State from the Motorcycle Safety Fund is \$225,100. Limiting the Department of State's use of the Fund to road test revenue would reduce funding to the Department of State to approximately \$100,000. The provision limiting the Department's future use of the Fund for administering a third party motorcycle testing program to 50% of the FY 1995-96 appropriation would limit the Department of State's reimbursement to \$112,550 annually.

Date Completed: 5-29-96

Fiscal Analyst: B. Bowerman

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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.