

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4765 (Substitute H-3 as reported without amendment)

Sponsor: Representative James McNutt

House Committee: Transportation

Senate Committee: Transportation and Tourism

Date Completed: 5-6-98

### **RATIONALE**

Public Act 100 of 1997 permits the Secretary of State to provide a commercial look-up service of records (primarily driver's license and vehicle registration) maintained under the Michigan Vehicle Code, and to charge a fee (currently \$6.55), for each record looked up. Some nonprofit organizations such as Meals on Wheels use volunteer drivers to provide their services. These organizations must check each volunteer driver's driving status through the Secretary of State's office to ensure the safety of the service provided. Some people believe that the driver's license status check fee should be waived for volunteer nonprofit organizations.

### **CONTENT**

The bill would amend the Michigan Vehicle Code to permit the Secretary of State to provide an electronic driver license status check of a person who transported clients or provided medical or other health, human, or social services for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (e.g., a nonprofit charitable corporation). The electronic status check would have to identify the person's driver license type and status, as well as indicate whether the driver had any points on his or her driving record.

The Secretary of State could process an electronic driver license status check only if the request were submitted by an agency serving a tax-exempt organization that was approved by the Secretary of State. An organization would have to provide an approved agency with the driver identification information as prescribed by the Secretary of State, and certify that the organization had the driver's written permission to obtain his or her driver license

status check under Section 208c(3)(m) of the Vehicle Code. The organization would have to retain the written permission for at least five years. (Under Section 208c(3)(m), the Secretary of State may disclose personal information maintained under the Code for use by an individual requesting information pertaining to himself or herself or requesting, in writing, that the Secretary of State provide information pertaining to himself or herself to the individual's designee. Only the individual may submit a request for disclosure to a designee.)

The Secretary of State could require both the organization and the agency to comply with any safeguards the Secretary of State considered reasonable or necessary to protect the rights of a driver for whom a status check was requested. Safeguards could include a bond requirement and written designation authorizing disclosure executed under Section 208c(3)(m).

The Secretary of State could not charge a fee for an electronic status check submitted by an approved agency. An organization that requested an actual copy of a record would have to pay the same fee as any other requester of a record copy.

MCL 257.207a

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

#### **Supporting Argument**

According to the Secretary of State, the bill would benefit an estimated 1,200 volunteer nonprofit organizations. The bill would help nonprofit organizations with limited budgets and voluntary personnel to save the cost of driver's license status

checks when they looked into their volunteer drivers' driving record. The fee, currently \$6.55, can be substantial for those organizations that use many volunteer drivers, such as Meals on Wheels. The Secretary of State would ensure that the fee-waiver would target only these specific nonprofit organizations by setting up a separate terminal line with several intermediary nonprofit organizations. These organizations would serve as clearinghouses from which the volunteer nonprofit organizations could obtain driver's license status checks at no cost.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

The bill would result in minimal administrative costs to the Department of State. There would be no fiscal impact on local government.

Fiscal Analyst: E. Limbs

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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.