

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 924 (Substitute S-2 as enrolled)  
Senate Bill 925 (Substitute S-2 as enrolled)  
Sponsor: Senator Shirley Johnson (Senate Bill 924)  
Senator Loren Bennett (Senate Bill 925)  
Committee: Transportation and Tourism

Date Completed: 6-26-02

### **RATIONALE**

Since 1985, the Secretary of State has been flagging the driver's licenses and identification cards of Michigan minors with the words "Under 21". Coding licenses and cards in this manner was instituted in an attempt to reduce the number of youths illegally purchasing alcohol. Nevertheless, those under 21 continue to purchase alcohol from restaurants, bars, and stores. In order to curb these illegal sales, the Michigan Liquor Control Commission conducts 3,000 "controlled buys" each year. A controlled buy is a sting operation in which 19-year-olds are hired to enter a restaurant or store and attempt to buy alcohol. Controlled buy operations have revealed that, on average, clerks and waitstaff sell to minors 29% of the time. In the majority of those cases--81% in March 2002, according to the Commission--the clerk asked for identification from the minor, looked at the card, and then sold the minor alcohol.

At least 13 states now issue "portrait-style", or vertical, driver's licenses and identification cards to those under 21. Reportedly, these vertical cards have been successful in reducing underage alcohol purchases. Due in part to their success in other states, it has been suggested that Michigan begin issuing vertical driver's licenses and identification cards to those under 21, the legal age for purchasing alcohol in the State.

### **CONTENT**

**The bills would amend Public Act 222 of 1972, which provides for the issuance of State personal identification cards, and the Michigan Vehicle Code, respectively, to require the Secretary of State to publish on the cards of minors the dates**

**on which the holders would become 18 and 21 years of age; and to issue the cards of those under 21 in a vertical, or portrait, format. Further, Senate Bill 925 (S-2) would appropriate to the Department of State from the State Services Fee Fund \$1,000,000 for the fiscal year ending September 30, 2003, for implementation of the requirements of both of the bills.** Both bills would take effect October 1, 2002, and would require the new formats beginning on July 1, 2003. The bills are tie-barred to each other.

The bills would require that, in the case of a person under 18 at the time a State ID card or driver's license was issued, the card or license contain the dates on which the person would become 18 and 21 years of age. In the case of a person who was at least 18 but less than 21 at the time of issuance, the card or license would have to include the date on which the person would become 21 years old.

The bills would require that the Secretary of State issue an original identification card or driver's license or the first renewal of an existing identification card or license issued to a person under 21 in a vertical format. An original ID card or license or the first renewal of an existing card or license issued to a person 21 years of age or over would have to be horizontal, or landscape, in form.

Currently, if the Secretary of State issues an official State personal identification card to a person who at the time of application is 20-½ years old or less, or issues a driver's license to an applicant who is under 20-½, the person's ID card or license must be marked in a manner that clearly indicates that the

cardholder or licensee is less than 21. Under the bills, these requirements would continue until July 1, 2003.

Senate Bill 925 (S-2) also would delete language that permits operator's or chauffeur's licensees to renew their group designations or endorsements for four years.

MCL 28.292 (S.B. 924)  
MCL 257.310 et al. (S.B. 925)

## **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**

The bills would help curb illegal alcohol sales by allowing clerks and waitstaff quickly and accurately to identify minors' driver's licenses. According to a representative from the Michigan Association of Convenience Stores, the average convenience store rings up about 1,300 purchases a day. Cigarette and alcohol purchases make up almost half of these transactions. When the stores are especially busy, such as on a Friday afternoon, a clerk is more prone to misread driver's licenses. If the card were vertical, no reading would be required; the card's appearance would allow the clerk quickly to accept or reject the purchase. In addition, the cards would clearly indicate the dates on which the individual would turn 18 (the legal age for purchasing tobacco products in the State) and 21, which would make it very clear to the clerk when the minor did become legal. Vertical licenses could even save some of the clerks their jobs, as many convenience store owners have a policy of firing any clerk who sells cigarettes or alcohol to a minor.

**Response:** While the bills might help prevent some illegal sales to minors, they are not a "silver bullet". Rather, a comprehensive approach that links various strategies is the best way to reduce youth's access to alcohol. Some approaches might include implementing increasingly severe fines for those who illegally sell, plus the loss of license for the alcohol retailer; holding parents and other adults who provide alcohol in their homes to youths accountable to the fullest extent of the law; consistently enforcing current alcohol laws; and mandating "Responsible Alcohol Service" training for all individuals who sell or

serve alcohol, to name a few successful strategies.

### **Supporting Argument**

If the bills are not passed, the State risks losing a percentage of its Federal funding for community health. Under Section 1926 of Title XIX of the Federal Public Health Service Act, commonly called the Synar Amendment after the late Oklahoma Senator Mike Synar, states must pass and enforce laws that prohibit the sale of tobacco to those under 18. The most recent provision of the Synar Amendment, passed on January 19, 1996, requires that states achieve no more than a 20% rate of illegal tobacco sales to minors during an annual, unannounced inspection. Since 1998, Michigan has failed to achieve this level; as a penalty, the Federal government has withheld a portion of the State's Substance Abuse Prevention and Treatment block grant. Vertical licenses could reduce tobacco sales to minors, thereby increasing the funding for substance abuse and treatment.

### **Supporting Argument**

The bills would send a clear message to parents, youths, clerks, and servers that Michigan intends to hold the line on underage drinking. The more definite and consistent the line, the less likely it is to be tested by young people. It is important to prevent underage drinking as much as possible because the country is facing a nationwide epidemic of youth binge drinking. Binge drinking can lead to fatal auto crashes, sexual assaults, violence, and experimentation with other drugs.

### **Opposing Argument**

The bills would cost the State an additional \$1 million in equipment and installation costs. In addition, changing the Secretary of State's computer system and equipment every time the law is amended can be difficult and time-consuming. While the bills would advance a worthy cause, it may be unwise to spend \$1 million on interim equipment.

**Response:** The money to carry out the equipment change-over would come from the State Services Fee Fund, whose main revenue source is casinos. This money is ready to be appropriated for this purpose. Also, since a contractor produces the licenses, the State's own equipment would not have to be changed.

Legislative Analyst: Claire Layman

**FISCAL IMPACT**

According to the Department of State, creating a vertical driver's license and personal identification card for persons less than 21 years of age would result in a one-time cost of \$1 million. This amount would fund the program conversion costs for the contractor producing Michigan's driver's licenses and ID cards. Senate Bill 925 (S-2) would appropriate \$1 million from the State Services Fee Fund for this purpose.

Fiscal Analyst: Jessica Runnels

A0102\s924a

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.