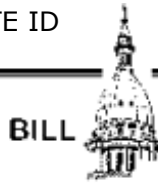




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BILL ANALYSIS

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Senate Bill 964 (Substitute S-3 as reported by the Committee of the Whole)

Senate Bills 965 and 966 (as reported without amendment)

Sponsor: Senator Jud Gilbert, II (S.B. 964)

Senator John Pappageorge (S.B. 965)

Senator Cameron s. Brown (S.B. 966)

Committee: Transportation

CONTENT

Senate Bill 964 (S-3) would create the "Enhanced Driver License and Enhanced Official State Personal Identification Card Act" to do the following:

- Allow the Secretary of State (SOS) to issue an enhanced driver license and enhanced official State ID card, which could be used in the same manner as a standard license or standard official State ID card, and also as identification for entering the U.S.
- Allow a person to choose to apply for a standard or an enhanced license or ID card.
- Require an applicant for an enhanced driver license or ID card to provide documentation demonstrating his or her U.S. citizenship, full legal name and name history, Social Security number, and other information.
- Require the SOS to verify the genuineness, regularity, and legality of every application and other documentation submitted for an enhanced license or ID card.
- Prohibit the SOS from issuing an enhanced license or ID card if not satisfied of the genuineness, regularity, or legality of the application, or the truth of any statement in it.
- Provide that a person who made a false certification or statement in applying for an enhanced driver license or official State ID card would be guilty of a felony.
- Establish a maximum application fee of \$50 for an original or renewal enhanced license or ID card.
- Create the "Enhanced Driver License and Enhanced Official State Personal Identification Card Fund", and require money from fees collected under the bill to be deposited into the Fund, after distribution of a portion to local governments that acted as examining officers or examining bureaus and to certain designated funds.
- Require the deposit of \$2.5 million from those fees into the General Fund, notwithstanding a required appropriation to the Transportation Economic Development Fund.
- Permit the SOS to enter into a memorandum of understanding with any Federal agency to obtain approval for an enhanced license or ID card as proof of identity when entering the U.S.
- Permit the SOS, in conjunction with a Federal agency, to enter into an agreement with certain foreign governments for the purpose of implementing a border-crossing initiative.

Senate Bill 965 would amend the Code of Criminal Procedure to include within the sentencing guidelines a false statement or certification in application for an enhanced driver license or State ID card as a class E felony against public safety punishable by up to five years' imprisonment.

Senate Bill 966 would amend Public Act 222 of 1972 (which provides for an official State personal ID card) to require the Department of State to examine every application for an official State ID card and reject an application if not convinced of the genuineness, regularity, or legality of the application, or the truth of any statement in it.

MCL 777.11b (S.B. 965)
28.291a & 28.298 (S.B. 966)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

Senate Bills 964 (S-3) and 965: There would be an indeterminate cost associated with the proposed legislation, as it is unknown how many driver license or ID card holders would opt for an enhanced driver license or ID card. There would be some costs associated with the possible hiring and training of additional staff, and programming costs including the purchase of additional equipment and software. Some of these costs would be covered by the fees (up to \$50) for issuance of an enhanced driver license or ID card and license and ID card renewals.

Currently, there are approximately 7.3 million driver license holders and 1.0 million ID card holders in the State. The amount of revenue generated by the proposed fees for enhanced driver license or ID cards could total up to \$415.0 million if everyone opted to change to an enhanced driver license or ID card; however, it is estimated that the actual number of people choosing the enhanced version would be significantly less. Funds generated by these fees would be deposited into the Enhanced Driver License and Enhanced Official State Personal Identification Card Fund proposed by the legislation.

From the money collected and deposited into the Fund, the State Treasurer would be required to deposit into the Traffic Law Enforcement and Safety Fund \$4 per original enhanced driver license issued. Additionally, \$4.50 of each original enhanced driver license and \$6 for each renewal of an enhanced driver license would be deposited in the Transportation Economic Development Fund and could not be appropriated for any other purpose in any act making appropriations of State funds. Finally, \$2.5 million would be required to be deposited into the State's General Fund; of this amount, not more than \$1.0 million could be credited to the Gasoline Inspection and Testing Fund. The amounts deposited into these Funds would depend on the number of enhanced driver licenses issued or renewed. The maximum net amount remaining in the Enhanced Driver License and Enhanced Official State Personal Identification Card Fund after the above amounts were paid would be an estimated \$350.5 million based on the estimated possible total revenue of \$415.0 million stated above (if all current driver license and ID card holders converted to the enhanced versions).

Any county or municipality acting as an examining officer or examining bureau would be reimbursed by the Secretary of State the sum of \$2.50 for each applicant examined for an original enhanced driver license.

In addition, the bills' criminal penalty would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many offenders would be convicted of making a false certification or statement in applying for an enhanced driver license or ID card. An offender convicted of the Class E offense would receive a sentencing guidelines minimum sentence range of 0-3 months to 24-38 months. Local governments would incur the costs of incarceration in local facilities, which vary by county. The State would incur the cost of felony probation at an annual average cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$33,000. Additional penal fine revenue would benefit public libraries.

Senate Bill 966: There could be some cost to the Secretary of State associated with the requirement to examine and determine the genuineness, regularity, and legality of every application for an official State ID card, including the possible hiring and training of additional staff to carry out these duties. The estimated cost, however, is indeterminate. The bill would have no fiscal impact on local government.

Date Completed: 2-5-08

Fiscal Analyst: Joe Carrasco/Lindsay Hollander

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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.