

Legislative Analysis



MORATORIUM ON SECRETARY OF STATE BRANCH OFFICE CLOSURES AND CONSOLIDATIONS

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House Bill 5811 as passed by the House
Sponsor: Rep. Mary Valentine
Committee: Ethics and Elections

Second Analysis (2-25-10)

BRIEF SUMMARY: The bill would require the secretary of state to cease the closure, opening, or consolidation of branch offices until certain conditions are fulfilled.

FISCAL IMPACT: House Bill 5811 would have an indeterminate fiscal impact on state government. The bill would require a freeze on branch office closures, openings, or consolidation until certain conditions were met. Any fiscal impact from the freeze would be dependent upon whether it prevented a closure, consolidation, or opening. The department may realize some costs associated with establishing a written procedure regarding the closure, opening, or consolidation of branch offices. The administrative costs are indeterminate.

THE APPARENT PROBLEM:

The Michigan Vehicle Code requires that a secretary of state branch office be located in each of Michigan's 83 counties, as well as in each population center having more than 10,000 people located in those counties having more than 300,000 people. The code also specifies that branch offices cannot be within five miles of each other. See [Background Information](#).

Today there are 145 branch offices located throughout Michigan--six of which are known as SUPER!Centers, and 38 of which are known as PLUS offices. A list of the offices is available at <http://services.sos.state.mi.us/servicelocator/branchofficelocator.aspx>

In 2004, Secretary of State Terri Lynn Land visited all of the then-173 secretary of state branch offices in Michigan. In April of that year, she announced plans for two classes of enhanced offices: SUPER!Centers, to be distinguished by their array of conveniences and services (including among other things additional full-time staff, expanded hours including Saturdays, designated services areas for auto dealers, self-service stations at which customers could renew their vehicle registrations using a credit card, mechanic testing, obtaining instant titles, and driver assessments), and SOS PLUS Offices which were to offer some of those same services with the exception of Saturday hours. When Secretary Land announced her modernization program in 2004, she noted that it "allowed the department to offer enhanced services by more effectively targeting its limited resources."

In November 2009, the Secretary of State announced a new round of branch office consolidations to create 10 new PLUS offices and an additional SUPER!Center, as well as to expand some of the existing PLUS offices.

The single new SUPER!Center would be located in Ingham County where the Capital Area SUPER!Center would be formed by consolidating the East Lansing and Lansing downtown offices (the location of the new SUPER!Center to be located, reportedly, in the Frandor Shopping Center). In addition, the 10 new PLUS offices would be located in the counties of Genesee, Jackson, Livingston, Macomb, Monroe, Muskegon, Oakland, Saginaw, St. Clair, and Wayne. In those counties, these PLUS offices would be formed via the consolidation of two or more existing offices. See *Background Information* for a more detailed explanation of the proposed consolidations.

Legislation has been introduced to impose a moratorium on the closing and consolidating of these secretary of state branch offices, until certain conditions are met.

THE CONTENT OF THE BILL:

House Bill 5811 (H-1) would amend the Michigan Vehicle Code to require that beginning February 16, 2010, the Secretary of State cease the closure, opening, or consolidation of branch offices until certain conditions are fulfilled.

The first condition is for the Secretary of State to establish by administrative order a written procedure regarding the closure, opening, or consolidation of branch offices, with that procedure to include at least the following factors:

- *The method of calculating the amount of financial savings* to the Department of State of the change, including a specific breakdown of the current operational costs, proposed operational costs, and moving costs, as well as the length of time over which the costs would be considered recoverable.
- *Factors demonstrating convenience* due to the change in the location or consolidation, including the increase or decrease in space, points of service, staffing, hours of operations, and location (that is, how close the office is to the largest population considered likely to physically visit the office).
- *Close proximity to public transportation.*
- *Factors demonstrating any increased efficiency* in the delivery of service.

The bill specifies that this requirement would be considered fulfilled when a report describing the decision process was filed with the Secretary of State and published on the Secretary of State's website.

The second condition is that at least 180 days before closing or consolidating a branch office, and at least 60 days before relocating a branch office, the secretary of state send a written notice to the following people:

- The chair of the county board of commissioners.

- The county executive or administrator.
- The chief executive officer of any township or city where a closing or consolidation of a branch office is planned.
- Any member of the Senate or the House of Representatives representing the district in which the move or consolidation was occurring.
- The auditor general.

MCL 257.205

BACKGROUND INFORMATION:

Michigan Vehicle Code Requirements. Currently, Section 205 of the Vehicle Code requires the Secretary of State to maintain an office in the Capitol complex and other places in the state as considered necessary to carry out the powers and duties of the office. The code also requires that at least one office be established in each county. In counties with a population of under 300,000, the code requires one office be established in each city with a population of 10,000 or more, although the city requirement does not apply within a radius of five miles from a county office location, nor to contiguous cities with a combined population of 10,000 or more.

Branch Office Modernization Program. To read about the secretary of state's "evolving branch structure" undertaken to "emphasize service, efficiency," see her press release dated November 17, 2009, by visiting http://www.michigan.gov/sos/0,1607,7-127-1640_9150-226333--,00.html

According to that document, the list of the 10 new PLUS offices and an additional SUPER!Center, that includes the expansions of existing PLUS offices is as follows:

Genesee County: The Central Genesee County PLUS Office will be created by consolidating the Flint West and Flint Downtown offices. A new Flint location for the PLUS office will be determined.

Ingham County: The Capital Area SUPER!Center will be formed by consolidating the East Lansing and Lansing Downtown offices. A location for the SUPER!Center will be determined.

Jackson County: The Jackson County PLUS Office will relocate to a larger facility once it consolidates with the current Jackson Downtown office. The new location will be determined.

Livingston County: The Livingston County PLUS Office will be created through consolidations of the Brighton and Howell offices. The new location will be determined.

Macomb County: The Mount Clemens Downtown office will consolidate into the Shelby Township office, resulting in the Central Macomb County PLUS Office. In addition, the current Southwest Macomb County PLUS Office will expand into a larger location after it consolidates with the current Warren 12 Mile office. The new location will be determined.

Monroe County: The Monroe County PLUS Office will be created by consolidating the Temperance office into the Monroe office.

Muskegon County: The Muskegon County PLUS Office will be formed by consolidating the Whitehall and Muskegon offices into a new Muskegon location.

Oakland County: The South Oakland County PLUS Office will be created by consolidating the Farmington Hills office into the Southfield office.

Saginaw County: The Saginaw County PLUS Office will be formed by consolidating the Frankenmuth office into the Saginaw Northwest office.

St. Clair County: The current St. Clair County PLUS Office will expand into a larger location when it consolidates with the Marine City office. The new Port Huron location for the PLUS office will be determined.

Wayne County: Three PLUS offices will be created. The Detroit Downtown office will consolidate into the Detroit Vernor office to form the Southwest Detroit PLUS Office. The Wyandotte office will consolidate into the Trenton office to form the Downriver Area PLUS Office. In addition, the Highland Park office will consolidate into the Hamtramck office to form the Hamtramck/Highland Park Area PLUS Office.

ARGUMENTS:

For:

Proponents of the bill note that in 2002, Michigan's Auditor General recommended that the Office of the Secretary of State develop written criteria to guide department officials' decision-making when branch offices throughout the state were to be closed or consolidated. This bill would require, in statute, that these written criteria be put in place.

Proponents argue that a more transparent decision-making process that involves locally elected government officials will result in better communication and less confusion. They also argue that criteria to require the decision-makers to consider 1) cost savings, 2) access to the facilities via public transit, 3) locations within major population centers, and 4) increased efficiency, among others, will ensure that citizens are well-served. They note that the consolidation of branch offices that shifts costs to the taxpayers by requiring them to drive further must be avoided.

Crucially, proponents of the bill say branch offices must be accessible by public transit-- via line-haul bus systems or dial-a-ride. Advocates argue that "*every* taxpayer should be guaranteed access to tax-supported services and buildings" throughout Michigan. They note that senior citizens, disabled citizens, and low-income citizens rely on services provided at the secretary of state branch offices, and many of those citizens need public transit to get there.

Finally, proponents note that timely notice of decisions to close or consolidate branch offices would allow for a smoother transition to new facilities. For example, decisions announced by the Office of the Secretary of State in the media in November 2009, were neither shared in advance with local officials, nor with those from whom local branch offices were leased. According to committee testimony, the unilateral stealth decisions angered people in Monroe and Muskegon Counties. Indeed, the decision to close and consolidate branch offices in Muskegon County was met with a petition signed by 2,000 citizens who opposed the plan, and who voiced their objections in a town meeting.

Against:

Those who oppose the bill note that the Secretary of State's modernization efforts were begun six years ago in 2004, and continue to the present. The modernization efforts allow the branch offices to take advantage of advances in technology, and better target limited resources in order to serve Michigan's citizens.

POSITIONS:

The Disability Connection of Muskegon supports the bill. (2-24-10)

The Secretary of State opposes the bill. (2-24-10)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.