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Senate Bill 494 (Substitute S-1 as reported) *(as passed by the Senate)*
Senate Bills 495 and 540 (as reported without amendment)
Sponsor: Senator Ron Jelinek
Committee: Appropriations

CONTENT

Senate Bills 494 (S-1), 495, and 540 would amend the Michigan Vehicle Code, the Natural Resources and Environmental Protection Act, and the Act that provides for a State personal identification card, respectively, to provide for revenue generated from a variety of fees to be deposited in the renamed "Department of State Operations Fund", beginning October 1, 2009. Under Senate Bill 494 (S-1), beginning October 1, 2009, the Transportation Administration Collection Fund (TACF) would be known as the Department of State Operations Fund (DSOF).

Currently, a number of driver license fees, vehicle title and registration service fees, and commercial look-up fees are earmarked to the TACF. Senate Bill 494 (S-1) would refer to the deposit of these fees into the DSOF, instead of the TACF, as well as set a sunset of September 30, 2012, on the collection of registration transfer and expeditious title fees. Senate Bill 494 (S-1) also would repeal the sunset of October 1, 2009, on the collection of certain fees. Similarly, Senate Bill 495 would refer to the deposit of look-up fees for watercraft, off-road vehicles, and snowmobiles into the DSOF, instead of the TACF. Finally, Senate Bill 540 would refer to the deposit of look-up fees for personal identification cards into the DSOF instead of the TACF.

Senate Bills 495 and 540 are tie-barred to Senate Bill 494.

MCL 257.208b et al. (S.B. 494)
MCL 324.80130 et al. (S.B. 495)
MCL 28.297 (S.B. 540)

FISCAL IMPACT

The fees for a driver license, vehicle title, or registration vary depending on the type of license and the type of vehicle. The Secretary of State currently charges \$7 per commercial record look-up. The sum of all these fees that are currently deposited into the TACF, which would be renamed the Department of State Operations Fund, is an estimated \$105.0 million annually (as shown in the table below). The revenue from these fees is annually appropriated in the Department of State budget and used to fund a variety of functions; over half of the fee revenue funds Customer Delivery Services, which include the operation of Secretary of State branch offices. The Executive recommendation for FY 2009-10 assumes that these fees will continue to flow into the renamed DSOF.

2008 TAC Fund Collections*	
Registration Service Fees	\$52,739,215.60
Driver Look-up Fees	37,118,243.01
Title Service Fees	10,017,969.36
License Plate Service Fees	4,963,019.37
Total	\$104,838,447.34
* Actual TAC Fund collections in 2008 totaled \$105.2 million after the addition of TAC Fund interest and credits from prior-year expenditures.	

Source: Dept. of State

Date Completed: 5-7-09

Fiscal Analyst: Joe Carrasco

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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.