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BILL ANALYSIS

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Senate Bill 501 (as enacted)
Sponsor: Senator Jim Stamas
Senate Committee: Transportation
House Committee: Transportation and Infrastructure

PUBLIC ACT 138 of 2016

Date Completed: 3-2-17

CONTENT

The bill amends Section 302a of the Michigan Vehicle Code to do the following:

- **Revise the conditions under which a nonresident who is licensed by another country may operate a vehicle in Michigan without obtaining a Michigan driver license.**
- **Provide that the operation of a motor vehicle in Michigan by an individual who possesses a valid license to operate a vehicle issued by a country other than the United States is subject to the Code.**
- **Require the Secretary of State to establish a unique driver record for nonresident motorists operating a vehicle under Section 302a, upon receiving an abstract of conviction for any offense committed in violation of the Code.**
- **Provide that nothing in Section 302a prohibits the Secretary of State from entering into a reciprocal agreement and exchanging letters confirming the extension of privileges to operate vehicles with another country.**

The bill will take effect on March 29, 2017.

Nonresident Motor Vehicle Operation

Currently, under Section 302a, a nonresident operator of a motor vehicle who possesses a license to operate a motor vehicle in the country where he or she resides is not required to obtain a license to operate a passenger vehicle in Michigan, if the nonresident is not receiving compensation for the operation of the vehicle, and both of the following conditions are met:

- The Secretary of State determines that the standards of the other country for licensing operators correspond substantially to those of Michigan and that the other country extends the same privileges to people licensed to operate vehicles by this State.
- The Secretary of State and the other country have exchanged letters confirming the reciprocal extension of privileges to operate vehicles.

The bill deletes these provisions. Instead, the bill allows a nonresident who possesses a license to operate a motor vehicle issued by a country other than the United States to operate a motor vehicle in Michigan without a State license if the nonresident operator does not receive compensation for the operation of a vehicle. The nonresident operator may operate a motor vehicle in compliance with otherwise applicable State and Federal law using the license to operate a vehicle issued by a country other than the United States if that country is a party to an international treaty, convention, or agreement regulating traffic, driving, or the operation of motor vehicles to which the United States or Michigan is also a party, according to the terms of that treaty, convention, or agreement.

If the issuing country is not a party to such a treaty, convention, or agreement, the nonresident operator may operate a motor vehicle using the license issued by his or her home country if he or she would otherwise be able to satisfy the requirements of Section 307(1) of the Code, except for any requirement to establish an address in Michigan or residency. (Section 307(1) prescribes the documentation and identification required with an application for an operator's or chauffeur's license for a person who is and a person who is not a United States citizen, among other things.)

The bill also provides that, while operating a passenger vehicle in Michigan, a nonresident operator who possesses a license to operate a motor vehicle issued by a country other than the United States must have in his or her immediate possession that license and, if no English translation appears on its front or back, one of the following:

- A valid international driving permit.
- If the license to operate a motor vehicle is issued by a country that does not permit the issuance of an international driving permit, a document containing a photo and an English translation that substantially corresponds to an international driving permit, which must be used solely to properly identify the individual appearing on the license for the purpose of enforcing the Code.

The bill specifies that the operation of a motor vehicle in Michigan by an individual who possesses a valid license to operate a motor vehicle issued by a country other than the United States is subject to the Code.

Additional Requirements

Currently, the Secretary of State must publish on its public website a list of the countries for which reciprocal operating privileges have been extended and withdrawn. If any changes are made, a revised list must be mailed to the courts, prosecuting attorneys, and law enforcement agencies throughout Michigan. The bill deletes these requirements.

The bill requires the Secretary of State to establish a unique driver record for an individual upon receiving an abstract of conviction for any offense committed in violation of the Code by that individual who is operating a motor vehicle in Michigan as provided in the bill. An individual for whom a unique driver record has been created is subject to all fees, fines, restrictions, and enforcement as if he or she were licensed under the Code.

The bill specifies that nothing in Section 302a prohibits the Secretary of State from entering into a reciprocal agreement and exchanging letters confirming the extension of privileges to operate vehicles with another county. The Secretary of State must publish on its website a list of the countries with which it has entered into a reciprocal agreement.

MCL 257.302a

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The Department of State may realize a negligible cost saving as a result of the bill's deletion of certain provisions. Currently, the Department is required to exchange letters with other countries to confirm reciprocal extensions of privileges to operate motor vehicles. This activity is voluntary under the bill. The current costs are absorbed within the Department's annual appropriations and any savings that may result from the deletion of the requirement are expected to be minimal and thus have no effect on the Department's budget.

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.