



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 501 (Substitute S-3 as passed by the Senate)
Sponsor: Senator Jim Stamas
Committee: Transportation

Date Completed: 3-7-16

RATIONALE

The Michigan Vehicle Code prescribes the conditions under which a resident of another country may operate a motor vehicle in Michigan without a State-issued license. One of the conditions is reciprocity of operating privileges between Michigan and the other country. Apparently, the conditions under which a nonresident may drive in Michigan are considered outdated, and the list of countries with which the State has reciprocal agreements is not as inclusive as some believe it should be.

Furthermore, many companies throughout Michigan have international operations. Residents of other countries may visit Michigan for business purposes, training, conferences, or other reasons. Apparently, businesses that invite these individuals usually have to arrange transportation for them because the nonresidents cannot get a Michigan driver license and are often prevented from operating vehicles under the restrictions of the Michigan Vehicle Code.

To address these concerns, it has been suggested that the Code should provide greater access to driving privileges for nonresidents.

CONTENT

The bill would amend 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 possessed a valid license to operate a vehicle issued by a country other than the United States would be subject to the Code.**
- **Require the Secretary of State to establish a unique driver record for nonresident motorists operating a vehicle under Section 302a who received a receipt of an abstract of conviction for any offense committed in violation of the Code.**
- **Provide that nothing in Section 302a would prohibit 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 would take effect 90 days after enactment.

Nonresident License Exception

The Code states that 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 the State.
- The Secretary of State and the other country have exchanged letters confirming the reciprocal extension of privileges to operate vehicles.

The bill would delete all of these provisions. Instead, the bill would allow a nonresident who possessed a valid 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 for the period of time that he or she was legally present in Michigan, if the nonresident operator did not receive compensation for the operation of a motor vehicle, and had all of the following in his or her immediate possession:

- A valid license to operate a motor vehicle issued by a country other than the United States.
- An international driving permit or comparable English translation of his or her valid license, if no English translation appeared on the front or back of the license.
- A valid passport, visa, or other documentation to verify his or her legal presence in Michigan.

These requirements would be satisfied if the operator had a valid license to operate a motor vehicle issued by a country other than the United States that was enhanced or otherwise secured to comply with the Western Hemisphere Travel Initiative.

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

Additional Requirements

Under the Code, 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 would delete these requirements.

The bill would require 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 was operating a motor vehicle in Michigan as provided in the bill. An individual for whom a unique driver record had been created would be 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 would prohibit 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 Secretary of State would have to publish on its website a list of the countries with which it had entered into a reciprocal agreement.

MCL 257.302a

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 bill would streamline and modernize the transportation process for nonresidents by allowing foreign drivers who possessed a valid license from their own country to drive in Michigan if they had proper documentation. In addition, the bill would lower costs and other inconvenience for many international companies located in Michigan, which often have trouble acquiring transportation for their international visitors who are working in Michigan for a short period of time.

Response: The bill would impose an additional burden on noncitizens, who currently do not have to present documentation of their legal presence in Michigan if they have a valid driver license from a country that has reciprocity with Michigan.

Supporting Argument

The proposed unique driver record would be useful to law enforcement. Currently, if officers in Michigan encounter a foreign license, it cannot be tested for validity. The police can only check to see whether there are any State or Federal violations associated with a name. The new system would provide more information to police and require officers to hold nonresident operators to the same standard as Michigan operators who drive with a valid State license.

Response: The additional requirements would be burdensome for law enforcement, as the bill would require officers to determine the validity of a visa or another document proving legal status in Michigan.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The Department of State could 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 provision would become voluntary under the bill. The current costs are absorbed within the Department's annual appropriations and any savings that could result from the deletion of the requirement would be expected to be minimal and thus have no effect on the Department's budget.

Fiscal Analyst: Joe Carrasco