



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bills 977 and 978 (as reported without amendment)
Sponsor: Senator Steven Bieda (S.B. 977)
Senator Tom Casperson (S.B. 978)
Committee: Transportation

Date Completed: 6-17-16

RATIONALE

A Federal rule adopted in 2011 regarding commercial vehicle licensing allows a state to administer its skills test to a person who has taken training in one state but will be licensed in another, and requires states to accept the results of a skills test administered by another state. Before an individual receives a commercial drivers license, he or she must obtain a commercial learner's permit (also known as a commercial license permit, or CLP). Presently, while Michigan driver education providers may train any student who possess a valid CLP, those students who received a CLP from a different state are not eligible to be tested by approved testers in Michigan. It has been reported that neighboring states may train and test students with CLPs issued by other states, with some driver education providers in neighboring states providing both training and testing at the same location. Apparently, this has created a competitive disadvantage for Michigan-based driver education providers; prospective students who possess CLPs issued by other states may be discouraged from training with Michigan driver education providers because the students cannot be tested in Michigan. Furthermore, because Michigan does not have a standard curriculum, driver education providers may teach only materials related to the test. This has raised a concern that the State could become a destination for students who cannot pass a stricter curriculum in their home states.

Currently, the Federal government is creating a uniform curriculum to be used across the country. Until Michigan is able to adopt the Federal curriculum and address these concerns, it has been suggested that the State should create a process allowing an individual possessing a CLP issued by another state to become eligible for testing in Michigan.

CONTENT

Senate Bill 977 would amend the Driver Education Provider and Instructor Act to allow a valid commercial learner's permit issued to a truck driver training student by a state other than Michigan to satisfy the requirement that a driver education provider verify that a prospective student has a valid temporary instruction permit issued by the Secretary of State before the provider provides behind-the-wheel driver education course instruction to the student.

Senate Bill 978 would amend the Michigan Vehicle Code to do the following:

- **Require the Department of State to establish a pilot program that provides for the vehicle group designation testing of an individual who possesses a valid commercial license permit issued by a state other than Michigan.**
- **Provide that an individual who held a valid CLP issued by a state other than Michigan would not be eligible for vehicle group designation testing unless certain conditions were satisfied.**

- **Require the pilot program to continue until the Department adopted official commercial driver license curriculum requirements for a person providing education to individuals seeking a vehicle group designation to qualify to provide the testing requirement to those individuals.**

Each bill would take effect 90 days after it was enacted.

Senate Bill 977 is tie-barred to Senate Bill 978.

Senate Bill 977

The Driver Education Provider and Instructor Act provides for the certification of driver education providers and instructors and prescribes certain record-keeping and program requirements for driver education providers, among other things.

Before a driver education provider provides behind-the-wheel driver education course instruction to an adult or truck driver training student, the provider must verify that the student has a valid temporary instruction permit issued by the Secretary of State under Section 306 of the Michigan Vehicle Code. The Secretary of State may prescribe the method and manner that a driver education provider uses to verify a student's temporary instruction permit.

The bill would allow a valid commercial learner's permit issued to a truck driver training student by a state other than Michigan to satisfy the requirement that a driver education provider verify that a prospective student has a valid temporary instruction permit issued by the Secretary of State before the provider provides behind-the-wheel driver education course instruction to the student.

(Section 306 of the Vehicle Code provides for the issuance of a temporary instruction permit for an applicant, and prescribes the conditions under which the Secretary of State may issue the permit, among other things.)

Senate Bill 978

The bill would require the Department of State to establish a pilot program that, as determined by the Department, provided for the vehicle group designation testing of an individual who held a valid commercial license permit issued by a state other than Michigan.

An individual who held a valid CLP issued by another state would not be eligible for vehicle group designation testing in Michigan unless all of the following were satisfied:

- The individual had successfully completed a truck driver training curriculum that had been approved by the Department and provided by a person approved to provide truck driver training under the Driver Education Provider and Instructor Act.
- The state that issued the CLP is a participant in an electronic national commercial driver examination reporting system in which Michigan is also a participant on the bill's effective date.

The pilot program would have to continue until the Department adopted official commercial driver license curriculum requirements for a person providing education to individuals seeking to obtain a vehicle group designation described in Section 312e of the Michigan Vehicle Code to qualify to provide the testing required for those individuals under Section 309 of the Code.

(Section 312e provides for the operation of a commercial motor vehicle, vehicle group designations, and testing requirements, among other things. Vehicle group designations are based upon different criteria.

Section 309 provides for the examination of an applicant for an operator's or chauffeur's license, as well as a person seeking a vehicle group designation or endorsement, among other things.)

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

Protecting Michigan businesses from being at a competitive disadvantage is important for the economic health of local communities and the State as a whole. By providing testing eligibility to students who possess a CLP issued by another state and study with an approved Michigan driver education provider, the bills would negate the competitive advantage that driver education providers located in neighboring states have over Michigan-based providers.

Supporting Argument

The pilot program proposed by Senate Bill 978 is necessary to guarantee that Michigan driver education providers are teaching an approved curriculum, rather than teaching nothing more than the written or skills test. Creating a certification or approval process that would allow only those driver education providers that had met certain curriculum standards to submit their students with CLPs issued by other states for testing, would ensure that there was proper and adequate instruction throughout Michigan until the Federal curriculum may be implemented.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco