



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 404 (as reported without amendment)
Sponsor: Senator Margaret E. O'Brien
Committee: Veterans, Military Affairs and Homeland Security

Date Completed: 6-26-17

RATIONALE

Public Act 222 of 1972 provides for the issuance of an official State personal identification card to an individual who has not been issued an operator's or chauffeur's license (unless the license has been suspended, revoked, or restricted). A valid personal ID card presented by the individual to whom the card is issued is generally treated the same as a valid Michigan driver license for identification purposes. Under most circumstances, an applicant for an ID card must pay a fee for the card or its renewal; however, the Act does include a list of individuals for whom the Secretary of State must waive the fee. Reportedly, a significant number of veterans are unable to use many of the services they are eligible for because they do not possess a form of photo identification. It is believed that many of these veterans are homeless or are otherwise unable to afford the application fee. Accordingly, it has been suggested that the fee be waived for veterans.

CONTENT

The bill would amend Public Act 222 of 1972 to require the Secretary of State (SOS) to waive the fee for an official State personal identification card for a veteran.

Generally, an applicant for a personal ID card must pay a \$10 fee to the SOS for each original or renewal ID card issued. The fee must be deposited in the State Treasury to the credit of the General Fund. The SOS must waive the fee if the applicant meets any of the following:

- Is 65 years of age or older.
- Has had his or her operator's or chauffeur's license suspended, revoked, or denied under the Michigan Vehicle Code.
- Presents evidence of statutory blindness.
- Presents other good cause for a fee waiver.
- Wishes to add or remove a heart insignia indicating his or her wish to participate in the anatomical gift donor registry.

Under the bill, the SOS also would have to waive the fee for an individual who was a veteran, as defined by Public Act 190 of 1965 (an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under conditions other than dishonorable).

The Secretary of State would have to require an individual seeking a fee waiver under the bill to provide the SOS with the same documentation required for a veteran designation on the personal ID card, before granting the waiver. (If requested by an individual who is a veteran, a personal ID card must include a designation that he or she is a veteran. In order to verify an individual's status as a veteran, the SOS must require proof of discharge or separation of service from the armed forces of Michigan, another state, or the United States, and the nature of that discharge.)

The bill would take effect 90 days after its enactment.

MCL 28.292

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

Some veterans, upon returning home from their time in the Armed Forces, are faced with financial or other difficulties. In 2015, according to testimony before the Committee on Veterans, Military Affairs and Homeland Security, approximately 6,000 veterans in Michigan were homeless or in transition. Many of these veterans are eligible for various benefits, but are unable to gain access to them because they lack appropriate photo identification. The bill would allow veterans who are not eligible for a fee waiver currently to pursue benefits and other resources that require presentation of photo identification, without having to pay the required fee for identification.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate, but negative fiscal impact on the amount of revenue received by the Department of State from the fees for Michigan veterans applying for or renewing a personal identification card.

According to the most recent data provided by the Department, there are an estimated 330,000 military veterans in Michigan under the age of 65. Current law already allows anyone age 65 or older to request a waiver from the renewal fee. Since identification cards must be renewed once every four years, it is assumed that an estimated 82,500 veterans under the age of 65 would be eligible for a renewal each year. Assuming that all 82,500 veterans requested a waiver of the \$10 fee, the potential loss in revenue to the Department of State would be an estimated \$825,000 in a given year. This is the estimated high end of the loss in revenue. The actual loss would be less. A number of veterans have a driver license and therefore do not need a State ID card, and others might already qualify for a fee waiver on different grounds.

The exact loss in revenue is indeterminate and dependent on the actual number of veterans under the age of 65 in the State who would seek a waiver of the original or renewal fee.

The bill would have no fiscal impact on local government.

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.