



Senate Fiscal Agency
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Senate Bill 452 (as reported without amendment)
Sponsor: Senator Roger Victory
Committee: Transportation and Infrastructure

CONTENT

The bill would amend the Michigan Vehicle Code to require the Secretary of State (SOS) to fix certain prices per 1,000 records for the sale of lists or other records maintained in bulk.

Under the Code, the SOS may contract for the sale of lists of driver and motor vehicle records and other records maintained under the Code in bulk. The SOS must require each purchaser of records in bulk to execute a written purchase contract. Until October 1, 2023, the proceeds from each sale must be credited to the Transportation Administration Collection Fund (TACF).

The Code requires the SOS to fix a market-based price for the sale of the lists described above or other bulk records, which may include personal information. The bill would eliminate the reference to "market-based price". Instead, the price per 1,000 records would be based on the date the records were obtained and could not exceed the following amount, as applicable:

- After March 31, 2021, and before April 1, 2022: \$17.50.
- After March 31, 2022, and before April 1, 2023: \$19.
- After March 31, 2023: \$20.

The bill specifies that its provisions would apply retroactively for records obtained on and after April 1, 2021.

MCL 257.323

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have a negative fiscal impact on revenue for the Department of State, estimated at a loss of \$500,000 in the first year. Currently, the revenue from the fees collected for the sale of lists of driver and vehicle records sold in bulk are deposited into the TACF, which is a major funding source for the Department of State.

Based on Department of State data, driver and vehicle records sold in bulk generate an estimated \$1.0 million for the TACF annually. The recently enacted budget for fiscal year 2021-22 (Public Act 87 of 2021, Article 5, Sec. 703a) includes language limiting the maximum charged for these records to \$35 per 1,000 records requested. That language is estimated to raise an additional \$50,000 in the first year. According to the Department of State, the proposed fee schedule in the bill would result in a loss in revenue for the TACF of an estimated \$500,000 in the first year. The actual loss in revenue would depend on the actual number of records requested.

Date Completed: 11-1-21

Fiscal Analyst: Joe Carrasco