



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5260 (Substitute S-1 as reported)
Sponsor: Representative Angela Witwer
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend Section 248I of the Michigan Vehicle Code to do the following:

- Modify provisions governing prelicensure dealer training programs, training programs for designated individuals, and continuing education training programs.
- Modify the definition of "eligible used vehicle dealer".
- Specify that certain training requirements described in the Act could be satisfied by attending a training program that was conducted by the Secretary of State (SOS) or a qualified trade organization approved by the Department.
- Allow the training programs established by the SOS and any training program approved by the Department to be conducted online or by other electronic means.
- Allow the SOS to charge an initial application fee of up to \$500 and an application renewal fee in an amount not exceeding 50% of the initial application fee.
- Require an SOS-approved qualified trade organization to notify the Department of the date, time, and location of a training program at least three days before conducting it; to report to the SOS a list of all participants that completed the training program in electronic format; and to remit to the SOS a payment of \$5 per training program.
- Create the "Dealer Training Program Fund" within the State Treasury and require the SOS to spend money from the Fund, on appropriation, only to administer Section 248I.

MCL 257.248I

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill could have a negative fiscal impact on the Department of State in that it would create new administrative costs for the Department. These costs would be incurred in the creation of the application approval process. The Department also would incur costs to oversee a third-party training organization's curriculum and training services. Additional staff could be required to process applications and to provide oversight for third-party organizations. The magnitude of the potential costs is indeterminate, and they could be recaptured via the proposed application fee (\$500) and renewal fee (\$250) depending on the actual number of applications and renewals. However, if that revenue were insufficient, the average total cost for salary, benefits, and retirement for a State civil servant is an estimated \$125,000 Gross, \$67,500 General Fund/General Purpose.

The Department of Treasury would experience a minor fiscal impact to create and administer the "Dealer Training Program Fund", which would be minimal and within current appropriations. The \$5 per training program participant fee would be deposited into the Fund to cover administrative costs for the SOS.

Date Completed: 1-27-22

Fiscal Analyst: Joe Carrasco
Cory Savino