

Legislative Analysis



DEPARTMENT OF STATE RECORD LOOK-UP FEES

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Senate Bills 548, 549, and 550, as enacted

Sponsor: Sen. Shirley Johnson

House Committee: Appropriations

Senate Committee: Appropriations

Complete to 10-12-05

ANALYSIS OF SENATE BILLS 548, 549, AND 550 AS ENACTED (PUBLIC ACTS 172, 173, AND 174 OF 2005)

BRIEF SUMMARY: Senate Bills 548, 549, and 550, as enacted, would amend PA 222 of 1972 (an act which provides for a state personal identification card), the Michigan Vehicle Code, and the Natural Resources and Environmental Protection Act, respectively, to direct revenue from commercial look-up fees to the Transportation Administration Collection Fund (TACF). The bills as enacted would make this change effective October 1, 2005, the start of the 2005-06 fiscal year. [The bills as first passed the Senate made the change effective October 1, 2004, i.e. retroactively to the start of the 2004-05 fiscal year.] Previously, the governing statutes had directed that revenue from commercial look-up fees be appropriated for "necessary expenses" of Department of State. Look-up fee revenue in excess of the appropriation had previously lapsed to the state General Fund.

BACKGROUND INFORMATION: The Michigan Department of State sells copies of various records to private parties as authorized by law. Most of these sales involve look-ups of individual driver license records at the request of insurance companies and insurance underwriting services. The authorization for these sales is found in statute and in appropriations boilerplate (Section 803 of the General Government appropriations act, PA 327 of 2004, sets a look-up fee of \$7 per record). The department is also authorized in statute to set market-based rates for bulk sales. Revenue from these record look-up fees is appropriated for the Department of State in General Government appropriations acts. The FY 2004-05 General Government appropriations act included \$33.5 million in commercial look-up fee revenue as a fund source. FY 2004-05 commercial look-up fee revenue is estimated to be \$38.5 million, \$5.0 million more than the appropriated amount. Under provisions of statute in effect through September 30, 2005, the \$5.0 million in excess revenue will lapse to the state General Fund. Under provisions of the bills as enacted, future look-up fee revenue would be appropriated as TACF revenue in General Government appropriations, and revenue in excess of appropriations would lapse to the TACF, rather than to the General Fund.

Section 601 of House Bill 4436 (Public Act 109 of 2005), a FY 2004-05 supplemental appropriations bill, repealed the original boilerplate section of the General Government appropriations act regarding disposition of look-up fee revenue. The bill then included new language in Section 402 which directed revenue from the sale of Department of State records to the TACF. However, the language of Section 402 of House Bill 4436 appears to be inconsistent with the governing statutes, in as much as the Senate Bills 548, 549,

and 550 do not effect the redirection of look-up fee revenue to the TACF until October 1, 2005, the start of the 2005-06 fiscal year.

These bills are intended to, in part, offset projected revenue shortfalls in the TACF.

Additional information on TACF revenue is found in a memo, "Transportation Administration Collection Fund," prepared for the House Appropriations Subcommittee on Transportation and posted to the House Fiscal Agency website. <http://www.house.mi.gov/hfa/alpha.html>

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