

MAXIMUM PRICE FOR CERTAIN RECORDS

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Senate Bill 452 (proposed substitute H-1)

Sponsor: Sen. Roger Victory

House Committee: Transportation

Senate Committee: Transportation and Infrastructure

Complete to 5-2-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 452 would amend the Michigan Vehicle Code to provide that the maximum price for the sale in bulk of certain records of the secretary of state is \$20 per 1,000 records beginning October 1, 2022.

The Michigan Vehicle Code allows the secretary of state to contract for the sale of lists of driver and motor vehicle records and other records maintained under the code in bulk, and it currently requires the secretary of state to fix a market-based price for the sale of those lists or other bulk records, which may include personal information.

The bill would remove the requirement of a fixed, market-based price for such lists.

Instead, under the bill, the price per 1,000 records would be based on the date the records were obtained and, after September 30, 2022, could not exceed \$20.

MCL 257.232

FISCAL IMPACT:

The bill would result in a decrease in ongoing future revenue. Data on bulk record sales, transactions, and revenue was not available from the department. The department reports that the bill's changes to bulk records sales prices would result in an estimated annual revenue decrease of nearly \$500,000 in the first full fiscal year. Revenue from bulk record sales is deposited into the Transportation Administration Collection Fund (TACF), the department's primary funding source, and supports the secretary of state's administrative costs for providing motor vehicle and driver services.

Section 232 of the Michigan Vehicle Code authorizes the secretary of state to set a "market-based price" for the sale of records in bulk. Prior to April 2021, the department set a two-tiered pricing structure for bulk records in which the majority of customers paid, per 1,000 records, \$64 and the remaining customers paid \$16. Beginning in April 2021, the two-tiered price structure was eliminated and the fee for all customers was raised to \$70. The price was again modified beginning on October 1, 2021 by the FY 2021-22 annual budget act, 2021 PA 87. Boilerplate section 703a of Article 5 of the act lowered the one-tier price per 1,000 records by requiring the price to not exceed \$35, which was estimated to maintain

the amount of revenue collected under the previous two-tiered prices. The fiscal impact changes provided above are based on the \$35 fee currently set in budget boilerplate.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.