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BILL ANALYSIS



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House Bill 4991 (As Enrolled)
Sponsor: Representative Felicia Brabec
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would amend Public Act 222 of 1972, which provides for official personal identification (ID) cards, to extend until October 1, 2027, the deposit of commercial look-up fees for those cards into the Transportation Administration Collection Fund (TACF). The bill also would increase the look-up fee from \$11 to \$15.

Public Act 222 of 1972 allows the Secretary of State to maintain a commercial look-up service for records maintained under the Act. For each individual record retrieved, the Secretary of State must charge a fee set by the Legislature or, if none is set, a market-based price. The current look-up fee charged by the Department of State (DOS) is \$11 per requested record. The bill would increase that fee to \$15 per requested record. The information provided under a requested look-up is the information submitted on a person's application for a personal ID card. The fees collected must be deposited in the TACF, currently set to expire on October 1, 2023. The bill would extend the sunset until October 1, 2027.

MCL 28.297

FISCAL IMPACT

The current sunset date of October 1, 2023, for the deposit of the fees described above in the TACF will have a negative fiscal impact on DOS's annual operating revenue. The collection of look-up fees for the TACF totaled \$51.0 million in fiscal year (FY) 2021-22, according to the Department. If the sunset date is not delayed, the MDOS will lose approximately \$51.0 million in revenue beginning in FY 2023-24.

Additionally, the bill would increase the record look-up fee from \$11 to \$15. The increase in the fee would raise an additional \$18.5 million for the TACF and is necessary to avoid a shortfall in the Department's FY 2023-24 budget. Look-up fee collections total approximately \$51.0 million annually and are included in the total of \$130.1 million in TACF collections for FY 2021-22.

The enacted DOS budget for FY 2023-24 appropriates \$153.5 million from TACF revenue compared to the estimated \$132.0 million in anticipated collections (without the look-up fee increase) in FY 2023-24, creating a shortfall of an estimated \$21.5 million. The additional \$18.5 million in look-up fee revenue to be collected if the fee were raised would cover most of the shortfall. The remainder of the shortfall would be alleviated by the anticipated carryforward amount from FY 2022-23 of approximately \$30.0 million. As the carryforward amounts are exhausted, the increase in the look-up fee would alleviate future shortfalls in TACF revenue.

Date Completed: 9-27-23

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Bill Analysis @ www.senate.michigan.gov/sfa

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