



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 188 (Substitute S-2 as reported by the Committee of the Whole)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would create a new act to provide that by January 1, 1996, in addition to accepting a check, draft, money order, or cash, the Secretary of State would have to accept alternative methods that authorize the immediate transfer of funds for the payment of a tax, fee, price, or charge required under any act or rule in which the Secretary of State is responsible for collecting payments. The Secretary of State would have to determine which alternative methods of payment could be accepted.

Alternative methods of payment would include, but would not be limited to, a credit or debit card, an electronic funds transfer, and a negotiable instrument or other instrument, device, or means that authorizes the immediate transfer of funds.

Legislative Analyst: P. Affholter

FISCAL IMPACT

Currently, the Department accepts credit cards for mail-in renewals. In FY 1993-94, 21% of vehicle registrations were through the mail and 8.6% of those mail-in registrations used charge cards. The current cost incurred by the State is a 2.04% service charge. As the use of credit cards expands, it is possible to obtain a reduced charge. The rate charged across the industry is 1.8% to 2.3%. Fiscal year 1993-94 costs to the Department for credit card service charges were \$202,000.

Date Completed: 2-16-95

Fiscal Analyst: B. Bowerman

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