



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4285 (Substitute H-4 as reported with amendment)
 House Bill 4541 (Substitute H-3 as passed by the Senate)
 Sponsor: Representative Jan Dolan (House Bill 4285)
 Representative Nick Ciarmitaro (House Bill 4541)
 House Committee: Transportation
 Senate Committee: Government Operations

Date Completed: 4-22-96

RATIONALE

The Michigan Vehicle Code prescribes the design and content of a driver's license, including certain information about the licensee such as birthdate, address, height, and the person's photograph. The Secretary of State reports that it processes approximately 2 million license (and State identification card) applications each year. The camera and photo processing system has been in use since 1965.

It has been pointed out that technological developments have dramatically altered the production of driver's licenses in many states. The Secretary of State reports that, since 1990, 21 states have established, and eight states are in the process of bidding for or implementing, automated computer systems that capture and store digitized images and signatures. Further, some suggest that driver's licenses could contain magnetic stripes on which vital information could be placed. Current provisions in the Code, however, simply do not provide for the new technology. It has been suggested that the Code be amended to allow the Secretary of State to use the new systems to provide for the design and development of new driver's licenses.

CONTENT

House Bills 4285 (H-4) and 4541 (H-3) would amend the Michigan Vehicle Code and Public Act 222 of 1972 (which provides for an official personal identification card), respectively, to require a digitized "captured image" instead of a photograph to appear on an operator's or chauffeur's license or a State personal identification card. The Secretary of State would be prohibited from using this image

unless permitted by the person or by law. A law enforcement agency would have access to the information retained by the Secretary of State, which could be used for law enforcement purposes. The bills also provide that a license or card could contain an identifier for voter registration purposes, as well as information in machine readable codes needed to conduct transactions with the Secretary of State.

In addition, the bills would require that until January 1, 2002, a \$1 service fee be added to each fee collected for an original or renewal of an operator's or chauffeur's license.

The bills would take effect January 1, 1997, and are tie-barred to each other.

House Bill 4285 (H-4)

Licensing

Currently, an applicant for an operator's or chauffeur's license may be photographed at the time he or she applies for a license. The Secretary of State may purchase or lease the equipment for taking the photographs and must furnish the equipment to a local unit. A photograph must appear on the applicant's operator's or chauffeur's license only, and the photograph, or a copy or negative of it, cannot be retained by the Secretary of State or any other agency.

The bill provides, instead, that an applicant for a license could have his or her image captured or reproduced at the time the license application was

made. The Secretary of State would have to purchase or lease the equipment for capturing the images and could furnish the equipment to a local unit authorized by the Secretary of State to license drivers. A captured image would have to appear on the applicant's operator's or chauffeur's license. The Secretary of State could retain and use a person's image only for programs he or she administered. Except as provided in the bill, the Secretary of State could not use a person's image unless the person granted written permission to the Secretary of State or specific enabling legislation permitting the use were enacted into law. A law enforcement agency of the State would have access to any information retained by the Secretary of State by this provision. The information could be used for any law enforcement purpose unless otherwise prohibited by law.

Except for a vehicle group designation or indorsement, the Secretary of State currently may renew by mail an operator's or chauffeur's license for one additional four-year period. If a license is renewed by mail, the Secretary of State must issue evidence of renewal, which must be affixed to the previously issued license. This evidence of renewal must be manufactured in the same manner as required in the Code for the operator's license. The bill would permit a license to be renewed "by other method" as well as by mail. The bill would delete the provision requiring evidence of renewal to be affixed to the previous license and the provision concerning the manufacture of a renewal license.

Service Fee

The bill would require that until January 1, 2002, a \$1 service fee be added to each fee collected for an original, renewal, duplicate, or corrected operator's or chauffeur's license. This fee would have to be deposited in the State Treasury to the credit of the General Fund, and would have to be used to defray the Secretary of State's expenses. The bill would prohibit the use of appropriations from the Michigan Transportation Fund to compensate the Secretary of State for the expenses incurred under the section of the Code providing for driver's license applications and examinations.

License Information

The Code requires a license to contain the following information: the distinguishing number permanently assigned to the licensee; and the name, date of birth, address of residence, height,

an imprinted photograph, and signature of the licensee. The bill would refer to an "image", instead of an "imprinted photograph". In addition, the bill would require a license to contain the following: the licensee's full name, eye color, and sex, as well as an indication that the license contained one or more of the following: the licensee's blood type, immunization data, medication data, a statement that the licensee was deaf, a statement that the licensee had made an anatomical gift, and emergency contact information of the licensee. Except as otherwise required in Chapter 3 of the Code (which the bill would amend) other information required on the license pursuant to this chapter could appear on the license in a form prescribed by the Secretary of State. A license could not contain the licensee's fingerprint or finger image.

Currently, an operator or chauffeur may place on the reverse side of a license his or her blood type, immunization and medication data, a statement that the licensee is deaf, or a statement that the licensee has made an anatomical gift pursuant to provisions in the Public Health Code. The bill would delete the requirement that this information be placed on the reverse side of a license, as well as a requirement that notification of this information appear on the front side of a license. The bill would permit the information, instead, to be indicated in a place designated by the Secretary of State. The bill would permit emergency contact information also to be indicated on the license.

A digitized license could contain an identifier for voter registration purposes. A digitized license also could contain information appearing in electronic or machine readable codes needed to conduct a transaction with the Secretary of State. The information would be limited to the person's driver license number, birth date, license expiration date, and other information necessary for use with electronic devices, machine readers, or automatic teller machines and could not contain the person's name, address, driving record, or other personal identifier. The license would have to identify the encoded information.

Violations

The Code establishes misdemeanor penalties for a person who intentionally reproduces, alters, counterfeits, forges, or duplicates a license photograph, the negative of the photograph, or a license or a part of it, or who uses a license or photograph that has been reproduced, altered,

counterfeited, forged, or duplicated. The bill would add that a person who intentionally reproduced, altered, counterfeited, forged, or duplicated an image or the electronic data contained on a license or used this image would be subject to the Code's penalties.

House Bill 4541 (H-3)

Identification Card

Public Act 222 of 1972 requires an official State personal identification card to contain an identification number permanently assigned to the person and the name, date of birth, sex, residential address, height, weight, eye color, an imprinted photograph, and the signature of the person to whom the identification card is issued. The bill would refer to an "image", instead of an "imprinted photograph".

The bill also would require an identification card to indicate that it contained one or more of the following: the person's blood type, immunization and medication data, a statement that the person was deaf, a statement that the person had made an anatomical gift, and emergency contact information of the person. Except as otherwise required in the Act, other information required on the identification card pursuant to the Act could appear on the identification card in a form prescribed by the Secretary of State. The card could not contain an applicant's fingerprint or finger image.

The Secretary of State could retain and use a person's image only for programs that he or she administered. Except as provided in the bill, the Secretary of State could not use a person's image unless that person granted written permission to the Secretary of State or specific enabling legislation permitting the use were enacted into law. A State law enforcement agency would have access to any information retained by the Secretary of State under this provision. The information could be used for any law enforcement purpose unless otherwise prohibited by law.

An official identification card could contain an identifier for voter registration purposes, and could contain information appearing in electronic or machine readable codes needed to conduct a transaction with the Secretary of State. The information would be limited to the person's identification card number, birth date, expiration date, and other information necessary for use with electronic devices, machine readers, or automatic

teller machines and could not contain the person's name, address, driving record, or other personal identifier. The identification card would have to identify the encoded information.

The bill would delete provisions concerning time periods for renewing an identification card, and permit a person to apply for a card's renewal by mail or by other methods prescribed by the Secretary of State.

A person could indicate on an official State personal identification card in a place designated by the Secretary of State his or her blood type, emergency contact information, immunization data, medication data, a statement that a person was deaf, or a statement that the person had made an anatomical gift pursuant to the Public Health Code.

If an applicant provided proof to the Secretary of State that he or she was a minor who had been emancipated pursuant to the emancipation of minors Act, the official State personal identification card would have to designate the person's emancipated status in a manner prescribed by the Secretary of State.

Service Fee

Currently, an applicant must pay to the Secretary of State a \$6 fee for each original or replacement identification card. The bill would delete reference to a replacement card and specify, instead, a renewal card.

The bill would require, until January 1, 2002, a \$1 service fee to be added to each fee collected for an original or renewal identification card. The Treasury Department would have to deposit the fees in the State Treasury to the credit of the General Fund. The bill would require the Legislature to appropriate the fees to the Secretary of State for the Act's administration, and specifies that appropriations from the Michigan Transportation Fund could not be used to compensate the Secretary of State for costs incurred and services performed under the section providing for the issuance of State personal identification cards.

MCL 257.307 & 257.310

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The

Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would allow the use of new technologies in the production of the State's driver's licenses and personal identification cards, which would lead to both increased efficiency in their production and greater accuracy of the information appearing on them. A driver's license or identification card now uses an image of its holder that is obtained via normal photographic methods at the time of application. Under this system, however, the Secretary of State is prohibited from keeping on file a negative of the photo taken for the person's license or card. This means that someone who loses his or her license must apply to the Secretary of State for a replacement and come into a branch office to have another photo taken, while the Secretary of State must process the application using paper forms and other inefficient procedures--a time-consuming process. By electronically storing a computer-generated image of a person as well as other identifying information, the Secretary of State could provide this and other services more quickly to customers and dispense with the keeping of paper records. Further, a redesigned license or card could contain a "magnetic strip" or bar code similar to those used on credit cards or bank cards, which would allow its holder simply to slide the license through electronic card readers used by many retailers so that accurate identification could be made more quickly than is possible now. More importantly, such a license or card would enable police officers or financial institutions to make quicker and more accurate checks of persons as the image used would be clearer than the photo image used currently. Also, the Secretary of State could use a format similar to that used in other states, in which the licenses issued to minors could be easily distinguished from those issued for older persons-- perhaps by placing a minor's image on the right side and all others on the left side of the license-- which would make it more difficult for minors to buy alcohol illegally. Finally, the Secretary of State could include voter registration data on the new license or card.

Opposing Argument

The technology allowed under the bills, particularly the use of a magnetic stripe readable only by machine, could be used to contain personal information about licensees that could infringe on individuals' privacy rights. While the bills would limit this sort of information from appearing on a license, once there was the ability to place private

information on a license, future legislation could eliminate any or all of the bills' limitations.

Response: The bills specifically limit the type of information that could appear on a license or identification card, as the law now does with current licenses and cards. Further, if the Legislature wished to place information of a private nature on current licenses, it could pass a bill to do so; therefore, the bills represent no greater threat to individuals' privacy rights than now exists.

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would result in additional revenue of approximately \$2 million annually until January 1, 2002. The Department of State estimates that the service fee over time would cover the cost of implementing the digitized license program. Fiscal year 1996-97 implementation costs are estimated at \$3.7 million. However, actual costs incurred each fiscal year would depend on the contract and the timing of implementation. Therefore, costs could exceed fee revenues during certain fiscal years.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.