

Legislative Analysis



DEPARTMENT OF STATE RECORD LOOK-UP FEES

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Senate Bills 548, 549, and 550 as reported

Sponsor: Sen. Shirley Johnson

House Committee: Appropriations

Senate Committee: Appropriations

Complete to 9-20-05

A SUMMARY OF SENATE BILLS 548, 549, AND 550 AS REPORTED FROM THE HOUSE COMMITTEE ON APPROPRIATIONS 9-20-05

BRIEF SUMMARY: Senate Bills 548, 549, and 550 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 would make this change effective October 1, 2005, the start of the 2005-06 fiscal year. [The bills as passed the Senate made the change effective October 1, 2004, i.e. retroactively to the start of the 2004-05 fiscal year.] Under current law, revenue from commercial look-up fees is appropriated for "necessary expenses" of Department of State. Look-up fee revenue in excess of the appropriation currently lapses 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. Current year revenue from commercial look-up fees is estimated to be \$38.5 million, \$5.0 million more than the appropriated amount. Under provisions of current law, the \$5.0 million in excess revenue would lapse to the General Fund. Under provisions of the bills, the revenue would lapse to the TACF.

Note that the FY 2004-05 supplemental appropriations bill, Enrolled House Bill 4436, included a repealer (Section 601) to repeal the original boilerplate section of the General Government appropriations act. The bill included new language (Section 402) to direct revenue from the sale of Department of State records to the TACF.

These bills are intended to, in part, offset projected revenue shortfalls in the TACF. The Department of State estimates that current-year TACF revenue will be approximately \$71 million, \$7 million less than current-year appropriations from the TACF. The department's TACF revenue estimate of \$71 million includes approximately \$10 million in TACF revenue which will be realized through passage of House Bill 4082. House Bill 4082, which redirects certain Motor Vehicle registration fees from the Michigan Transportation Fund to the TACF, was returned from the Senate on September 20, 2005 with Substitute S-3. The House concurred with the Senate substitute and the bill has been ordered enrolled.

The department estimates that FY 2005-06 TACF revenue will be \$71 million, \$12 million less than FY 2005-06 TACF appropriations. Again, the department's revenue estimate includes \$10 million which would be directed to the TACF from the enactment of HB 4082.

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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