



**House  
Legislative  
Analysis  
Section**

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Manufacturer's Bank Building, 12th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

## VARIOUS VEHICLE CODE AMENDMENTS

**Senate Bill 705 (Substitute H-2)**  
**First Analysis (5-21-90)**

**Sponsor: Sen. Norman D. Shinkle**  
**Senate Committee: State Affairs, Tourism &  
Transportation**  
**House Committee: Transportation**

### ***THE APPARENT PROBLEM:***

Municipal volunteer fire department vehicles qualify under Michigan's Vehicle Code for registration plates that cost \$5 and are valid until they are worn out or illegible, rather than for a limited number of years. Nonprofit, privately incorporated volunteer fire departments, however, must pay \$10 to renew their vehicles' registration and must do so every five years. Since a private, nonprofit volunteer fire department provides the same type of services as a municipal volunteer fire department, some people feel the same discounted, indefinite vehicle registration should apply to both.

Also, the act currently allows reciprocity to be extended to other states and Canadian provinces relative to driver's licensure, in which nonresident drivers can legally use out-of-state licenses to drive here, and vice-versa. The act, however, does not extend similar reciprocity for licensing of drivers from other countries except Canada. Apparently, this has created a difficult situation for certain General Motors employees in France who must get an international driver's license (which, reportedly, is expensive and relatively time-consuming) in order to drive in that country. To correct this situation, the secretary of state has requested legislation that would permit it to extend reciprocal licensing privileges on a case-by-case basis to persons from other countries with licensing standards similar to Michigan's and that extend reciprocal licensing privileges to Michigan drivers.

### ***THE CONTENT OF THE BILL:***

The bill would amend the Vehicle Code to allow privately incorporated, nonprofit volunteer fire departments to renew registration plates for their vehicles when the plates were worn out or illegible rather than every five years as the act currently requires. These fire departments could purchase the plates for \$5 per set (instead of \$10 per plate as currently required).

The act currently details how money in the Motorcycle Safety Fund is to be used. (Generally, the act provides for the fund to be used for various law enforcement and educational purposes, and specifically for courses taught through various public agencies or schools). The bill specifies that money from this fund would also be used to fund motorcycle safety courses conducted by private businesses.

In addition, the bill specifies that except as otherwise provided for in the act, a nonresident operator of a motor vehicle who was licensed to operate a motor vehicle in the country in which he or she resided would not have to obtain a driver's license to operate any passenger vehicle in Michigan if he or she did not receive compensation for such operation. This would not apply unless the secretary of state determined that the foreign country's driver's licensing

standards corresponded substantially to Michigan's and that the other country extended the same privileges to persons licensed to operate vehicles by this state. These provisions would not apply unless the secretary of state and the other country had exchanged letters confirming the reciprocal extension of driving privileges. On May 1 and November 1 annually, the secretary of state would have to publish a list of the countries for which reciprocal operating privileges had been extended and withdrawn, and would have to mail this list to the courts, prosecuting attorneys, and law enforcement agencies of the state. MCL 257.224 et al.

### ***HOUSE COMMITTEE ACTION:***

The House Transportation

Committee adopted a substitute for the bill, which added provisions to allow the secretary of state to extend reciprocal driving privileges to a person licensed to drive in a foreign country that extended license reciprocity to Michigan drivers.

### ***FISCAL IMPLICATIONS:***

According to the Senate Fiscal Agency, the bill's provisions regarding private, nonprofit volunteer fire departments would have an indeterminate fiscal impact on state and local government. The revenue loss to the state would depend on the number of privately incorporated nonprofit volunteer fire departments that currently are required to renew registration plates every five years. (3-1-90) According to the Department of State, the bill's provisions pertaining to driver's license reciprocity of certain nonresident drivers would not have state or local fiscal implications. The department also said the amendment that would provide for private businesses to receive grant money from the Motorcycle Safety Fund would not affect state budget expenditures but would reduce the amount of money available to public institutions and agencies that currently offer motorcycle safety courses. (5-21-90)

### ***ARGUMENTS:***

#### ***For:***

Volunteer fire departments, whether publicly or privately owned, provide essential services to many Michigan communities on very limited budgets. Private nonprofit volunteer fire departments should not have to pay a higher registration fee for their vehicles simply because they are not owned and operated by a municipality. Other vehicles that qualify for the proposed renewal option and \$5 fee are owned and operated by the state, state institutions, municipalities, and nonpublic, nonprofit colleges and universities.

***For:***

The bill would authorize the secretary of state to extend driving privileges to a person with a driver's license from another country as long as the foreign country grants reciprocal licensing to the state's licensed drivers and has similar licensing standards. Currently, reciprocity is granted to American and Canadian drivers (and state drivers, conversely, can drive legally in other states and Canadian provinces) when other states and provinces meet state standards for licensing and extend reciprocity to the state's drivers. While the bill is aimed specifically at correcting a situation involving GM workers in France, the extension of reciprocity to drivers from other countries that met the bill's conditions would be reasonable and could save both resident state drivers and foreign drivers time and money by eliminating the need for obtaining an international driver's license. Also, to ensure that a foreign-licensed person met the state's licensing standards, the bill would require the secretary of state to confirm reciprocity with the other country in writing before reciprocal licensing privileges could be granted.

***Against:***

The provision that would direct funds from the Motorcycle Safety Fund to pay for motorcycle safety courses offered by private businesses was apparently added to the bill inadvertently and should be removed. Currently, the act provides that fees paid into the fund are to be used to fund courses offered by public agencies and schools. It would be improper to direct public funds to private businesses, even if their purpose is to educate citizens about motorcycle safety.

***POSITIONS:***

The Department of State supports the bill. (5-16-90)

The Department of Transportation has no position on the bill. (5-18-90)