



**House
Legislative
Analysis
Section**

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REVISE FEE FOR CHAUFFEUR'S LICENSE

House Bill 4564 with committee amendments
First Analysis (10-26-89)

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NOV 16 1989

Sponsor: Rep. Kay M. Hart
Committee: Transportation

Mich. State Law Library

THE APPARENT PROBLEM:

Applicants for driver's licenses pay different fees depending on the type of license applied for. An operator's license, which is the minimum requirement of all motorists, costs \$12, while a chauffeur's license, which is required of persons who must have greater driving skills and knowledge (such as persons who regularly transport a few passengers), costs \$20. These fees help defray the secretary of state's costs in testing applicants and issuing licenses. While chauffeur's licenses are usually required as a condition for employment for certain driving-related jobs, some people feel they should not have to pay the full \$20 fee if they have just recently paid the \$12 operator's fee. Further, because the secretary of state's duties apparently are the same whether an operator's or chauffeur's license is applied for, some people feel the chauffeur's license fee should be lowered for persons who applied and paid for an operator's license within 60 days prior to applying for the chauffeur's license.

THE CONTENT OF THE BILL:

The bill would amend the vehicle code to specify that if an applicant for an original chauffeur's license paid the \$12 operator's license fee (for original or renewal) within the 2-month period immediately prior to applying for the chauffeur's license, the accompanying application fees would be \$5 for 1 year or \$8 for four years.

MCL 257.811

FISCAL IMPLICATIONS:

According to the Department of State, the bill would result in an indeterminate, but small, revenue loss to the state. (10-24-89)

ARGUMENTS:

For:

The bill would lower the chauffeur's license fee for persons who within two months prior to applying for the chauffeur's license paid the operator's fee. A person who recently paid for an operator's license who not long thereafter discovers that he or she must have a chauffeur's license just to be employed should not have to, and probably cannot afford to, pay the full cost of the chauffeur's license. Also, since the secretary of state's duties are essentially the same whether an operator's or chauffeur's license is applied for, it seems unfair that higher fees are required of chauffeur's applicants.

Against:

The bill seems inconsistent with legislation which raised certain licensing fees only two years ago under the truck safety package. At that time, the secretary of state requested the fee increases just to cover its costs for testing individuals and issuing licenses. According to a spokesperson for the Department of State, while it's true

that similar duties are needed to test for and issue either operator's or chauffeur's licenses, current fees barely cover the department's administrative costs. Each time a person applies for a driver's license, it costs the department at least \$12 to test the individual and issue a new license. In addition, the bill's 60-day cutoff date for qualifying for the lower chauffeur's fee seems arbitrary and inconsistent. Why should a person who misses this deadline by two days, for example, be denied the lower fee? Or for that matter, why should any chauffeur's applicant ever have to pay the higher fee? The current fee structure should be viewed in light of the department's overall administrative costs in issuing licenses. The higher chauffeur's fees are justified primarily because persons issued them make themselves more marketable.

Against:

The chauffeur's licensing system is outmoded and should be replaced by vehicle endorsements, instead. Vehicle endorsement fees then could then be established based on the type of vehicle operated or the type of skills needed. Persons who drive large trucks or buses currently apply for various endorsement and are charged accordingly. Including all licenses in the endorsement system, and basing fees on the type of knowledge and skills needed for driving specific vehicles, would make the fee schedule more equitable for all drivers.

POSITIONS:

The Department of State has not yet taken a position on the bill. (10-25-89)

H.B. 4564 (10-26-89)