



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 79 (as reported without amendment)
Sponsor: Senator Ron Jelinek
Committee: Transportation

(as enrolled)

Date Completed: 4-4-07

RATIONALE

The Michigan Vehicle Code requires the owner of a vehicle to sign his or her vehicle registration in a space provided on the back of the certificate. Some are concerned that this requirement makes automobile owners vulnerable to identity theft, by requiring them to carry in their vehicles a document bearing personal information and their legal signature. That information, if stolen, could be used to conduct financial transactions in the vehicle owner's name, potentially causing personal loss and damaging the victim's credit rating. It has been suggested that the requirement be removed to reduce this risk of identity theft.

CONTENT

The bill would amend the Michigan Vehicle Code to delete a requirement that a vehicle owner, upon receiving a registration certificate, sign the certificate with pen and ink in the space provided. A violation of this requirement is a civil infraction.

(A person found responsible for a civil infraction under the Code may be ordered to pay a civil fine, which generally may not exceed \$100, as well as a justice system assessment of \$40. The person also may be taxed up to \$100 for costs of the action.)

MCL 257.223

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

Identity theft has become a serious problem in Michigan and across the country. According to the Federal Trade Commission, there were over 246,000 victims of identity theft in 2006. Of those, about 6,800 were in Michigan. Experts have identified many ways that individuals can reduce their exposure to identity theft, including safeguarding personal information such as Social Security numbers, bank account numbers, and addresses. The personal information on a vehicle registration, together with the vehicle owner's legal signature, could be used to steal a person's identity, particularly since the registration must be left in the vehicle or carried by the driver, where it is vulnerable to theft. Identity theft, as it exists today, was not a threat when the signature requirement was put into place in 1949. Now, when law enforcement officers are able to verify registration records electronically from their patrol cars, the requirement has outlived its usefulness. Absent a pressing need for the requirement, it should be removed to help protect the identities of Michigan citizens. Eliminating the requirement also would prevent drivers from being subject to civil fines for failing to sign, and would allow law enforcement officers to focus on more serious infractions.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

To the extent that the bill would result in a decrease in civil infractions, State and local units of government would see a modest decrease in fine revenue and Justice System Fund assessments. Fine revenue under the

Vehicle Code benefits public libraries, while the Justice System Fund supports a variety of programs in the Judiciary, the Department of State Police, and the Department of Corrections. There are no data on the number of civil infractions issued for failure to sign a vehicle registration.

Fiscal Analyst: Stephanie Yu

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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.