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Senate Bill 507 through 509 (as enacted)
Sponsor: Senator Kevin Daley (S.B. 507)
Senator Ruth Johnson (S.B. 508)
Senator Curtis S. VanderWall (S.B. 509)
Senate Committee: Committee of the Whole
House Committee: Oversight

PUBLIC ACT 71-73 of 2021

Date Completed: 2-17-23

CONTENT

Senate Bill 507 amended the Michigan Vehicle Code to do the following:

- Require the Secretary of State (SOS) to provide a report to specified members of the Senate and House of Representatives detailing its plan to reopen all SOS branches to the general public for in-person services, without requiring an appointment.
- Specify that a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date of the expiration.
- Specify that a commercial vehicle, trailer, or semitrailer issued a registration under the International Registration Plan that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after it expired.
- Specify that a dealer selling, leasing, or exchanging vehicles, required to be titled, after March 31, 2021, but before August 1, 2021, could apply to the SOS for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser within 30 days.
- Specify that a commercial or noncommercial vehicle registration that expired after March 31, 2021, but before August 1, 2021, but was renewed within 120 days after it expired was not in violation of the Code's prohibition against operating without a valid registration.
- Provide that a driver license that expires after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.
- Specify that a temporary instruction permit that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.
- Specify that a motorcycle temporary instruction permit that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.
- Waive, until August 31, 2021, requirements to satisfy Federal regulations and present medical certification for a commercial learner's permit, a vehicle group designation, or a vehicle endorsement under the Waiver in Response to the COVID-19 National Emergency or any extension of that waiver issued after August 31, 2021.
- Prohibit the SOS from assessing late fees on registered vehicles whose registrations expired after March 31, 2021, but before August 1, 2021, and whose registration was renewed within 120 days after it expired.

Senate Bill 508 amended the Enhanced Driver License and Enhanced Official State Personal Identification Card Act to do the following:

- Specify that an enhanced driver license or enhanced official State personal identification (ID) card that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.
- Specify that, if the SOS received an application to renew an enhanced driver license or enhanced official State personal ID card that expires after March 31, 2021, but before August 1, 2021, the SOS had to process the application as a renewal of an existing enhanced license or card until 120 days after the date it expired.
- Prohibit the SOS from assessing a late renewal fee under the Act until it resumed providing adequate in-person services.

Senate Bill 509 amended Public Act 222 of 1976, which governs the form, issuance, and use of an official State personal ID card, to do the following:

- Specify that an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, was considered valid until 120 days after the date it expired.
- Prohibit the SOS from assessing a late renewal fee for an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the date it expired.
- Require, upon an applicant's request, the SOS to reimburse a late renewal fee assessed and collected for an official State personal ID card that expires after March 31, 2021, but before August 1, 2021, and is renewed within 120 days after the date the card expired.

The bills are tie-barred to each other and each took effect on July 29, 2021. Each bill specifies that its provisions are "intended to be retroactive and apply retroactively".

Senate Bill 507

Reporting Requirements

Under the bill, by August 28, 2021, the SOS had to provide a written report to the Senate Majority Leader, the Speaker of the House of Representatives, and the chairs of the Senate and House appropriations committees detailing its plan to reopen all SOS branches to the general public for in-person services, without the requirement of an appointment. The written report had to include all the following:

- The number of staff that will return to in-person work.
- The manner in which the SOS will transition returning staff back to in-person work.
- The manner in which the SOS will notify members of the public that branches were open for in-person services, without the requirement for an appointment.
- How the SOS will prioritize customers who were unable to renew essential documents beginning March 24, 2020, due to the closing of branches and appointment-only policy.
- The SOS's plan to ensure safety of the staff and customers in reopened branches.
- Details on hours of operation for reopened branches.
- How the SOS will utilize the use of kiosks and other automated services at reopened branches.

Registration Expiration

The Code specifies that a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, used for any purpose or a commercial purpose, that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, except as otherwise provided, a registration issued to a vehicle or trailer that expired after March 31, 2021 but before August 1, 2021, was valid until 120 days after the date it expired.

In the case of a commercial vehicle, trailer, or semitrailer issued a registration under the International Registration Plan, the SOS in mutual agreement with the owner may assign or reassign the expiration date of the registration. The expiration date agreed to must be either March 31, June 30, September 30, or December 31, or the last day of a calendar month. The Code specifies that a commercial motor vehicle, trailer, or semitrailer registration issued as described above that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, notwithstanding these provisions, a commercial vehicle, trailer, or semitrailer registration issued as described above that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

(The international registration plan provides licenses to commercial vehicles to participate in interstate operations among states and territories involved in the agreement.)

Under the Code, a vehicle or motorcycle registration issued by the SOS expires on the owner's birthday. Under the bill, a vehicle registration or motorcycle registration that expired after March 31, 2021, but before August 1, 2021 was valid until 120 days after the date it expired.

Boats & Boat Trailers

Under the Code, a dealer selling, leasing, or exchanging vehicles required to be titled and a person engaged in the sale of boats required to be numbered by Part 801 (Marine Safety) of the Natural Resources and Environmental Protection Act, must apply to the SOS for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle or boat trailer, in the name of the purchaser or lessee. The dealer's license may be suspended or revoked for failure to make this application. If the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within 15 days of delivery of the vehicle or boat trailer, a title or registration for the vehicle or boat trailer may subsequently be acquired only on the payment of a late transfer fee of \$15. For a used or secondhand vehicle dealer subject to Section 235b, the late transfer fee is \$10 in addition to the fees specified for registration.

(Section 235b of the Code allows a used or secondhand vehicle dealer to enter into a written agreement with an inventory lender allowing the inventory lender to retain the certificate of title for a vehicle subject to an inventory loan.)

Under the bill, notwithstanding the provisions above, a dealer selling, leasing, or exchanging vehicles, required to be titled, after March 31, 2021, but before August 1, 2021, could apply to the SOS for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser within 30 days. The following applied to a dealer that complied with this provision:

- The dealer's license could not be suspended or revoked in accordance with Section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 15-day period required by the Code.

- The SOS could not charge any applicable late fees required by the Code and , upon the dealer's request, was required to reimburse a late fee charged and collected after March 31, 2021, to the end of the period described above.

Off-Lease or Buy-Back Vehicles

Under the Code, a dealer selling or exchanging an off lease or buy back vehicle must apply to the SOS for a new title for the vehicle within 15 days after it receives the certificate of title from the lessor or manufacturer under Section 235 or Section 235b and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. The dealer's license may be suspended or revoked for failure to apply for a title or for failure to transfer or secure registration plates and certificate of registration within the 15-day period. If the dealer or person fails to act as described above within the 15-day period, a title and registration for the vehicle may be acquired subsequently only on payment of a late transfer fee of \$15 for an individual or dealer other than a used or secondhand vehicle dealer subject to Section 235b in addition to registration fees. The late transfer fee for a used or secondhand vehicle dealer is \$100 in addition to registration fees.

Under the bill, notwithstanding the provisions above, a dealer who sold or exchanged an off-lease or buy-back vehicle after March 31, 2021, but before August 1, 2021, was allowed to apply to the SOS for a new title for the vehicle within 30 days after the dealer received the certificate of title from the lessor or manufacturer under Sections 235 or 235b and to transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. The following applied to a dealer that complied with this provision:

- The dealer's license could not be suspended or revoked in accordance with Section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 15-day period required by the Code.
- The SOS could not charge any applicable late fees required by the Code and, upon the dealer's request, had to reimburse a late fee charged and collected after March 31, 2021, to the end of the period described above.

Operation Without a Registration

The Code prohibits a person from operating, or knowingly permitting to be operated, upon any highway, a vehicle required to be registered unless no later than 30 days after the vehicle is registered or the vehicle's registration is renewed, a registration plate issued for the vehicle by the SOS is attached to the vehicle. The Code specifies that a commercial or noncommercial vehicle registration that expired on or after March 1, 2020, but was renewed on or before March 31, 2021, was not in violation of the prohibition. Under the bill, a commercial or noncommercial vehicle registration that expired after March 31, 2021, but before August 1, 2021, but was renewed within 120 days after the date it expired was not in violation of the prohibition.

Operator's or Chauffeur's License

The Code prohibits an individual from driving a motor vehicle on a highway in the State unless the individual has a valid operator's or chauffeur's license with the appropriate group designation and indorsement for the type or class of vehicle being driven. The Code specifies that a driver license that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, a driver license that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

The Code specifies that a driver license expires on the birthday of the individual to whom the license is issued in the fourth year following the date of the issuance of the license or on the date the individual is no longer considered to be present legally in the United States. Under the bill, notwithstanding this provision, a driver license that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

Temporary Instruction Permit, Graduated License, & Driver Certificate

The Code allows the SOS to issue a permit that entitles an individual who is 18 years old or older to drive a motor vehicle when accompanied by a licensed adult driver. The Code specifies that a temporary instruction permit that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, a temporary instruction permit that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

The Code allows the SOS to issue an original operator's license and designate level one, two, or three graduated licensing provisions to an individual who is less than 18 years old, has been licensed in another state or country, and has satisfied the applicable requirements of the Code. The Code specifies that an original operator's license with a designated level one, two, or three graduated licensing provision that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, an original operator's license with a designated level one, two, or three graduated licensing provision that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

Motorcycle Temporary Instruction Permit

The Code allows the SOS to issue a motorcycle temporary instruction permit that entitles an individual 16 or 17 years old who has completed an approved motorcycle safety course, or an individual who is 18 years old and has a valid driver license to operate a motorcycle on the public streets and highways under certain conditions. The Code specifies that a motorcycle instruction permit that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, a motorcycle temporary instruction permit that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

A student enrolled in a driver education course and who has successfully completed 10 hours of classroom instruction and the equivalent of two hours of behind-the-wheel training may be issued a temporary driver education certificate that authorizes a student to drive a motor vehicle when accompanied by a licensed parent or guardian. The Code specifies that a temporary driver education certificate that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, a temporary driver education certificate that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

Commercial Learner's Permit

The Code allows the SOS to issue a commercial learner's permit that entitles an individual to drive a vehicle requiring a vehicle group designation or indorsement if the individual is 18 years old or older and holds a valid driver license, among other requirements. The Code specifies that a commercial learner's permit is valid for one year from the date of issuance. Notwithstanding this expiration, a commercial learner's permit that expired on or after March 1, 2020, was valid until March 31, 2021. Under the bill, a commercial learner's permit that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

Group Designation or Indorsement

Under the Code, an individual must be at least 18 years old before being issued a vehicle group designation or indorsement, other than a motorcycle indorsement, or at least 21 years old and approved by the Transportation Security Administration for a hazardous material endorsement before he or she is issued a hazardous material endorsement. The individual must pass knowledge and driving skills tests that comply with minimum Federal standards.

The Code prohibits the SOS from issuing a commercial learner's permit, a vehicle group designation, or a vehicle indorsement to an applicant for an original vehicle group designation or vehicle indorsement under the Code if certain circumstances apply. The Code also allows the SOS to cancel a commercial learner's permit or all vehicle group designations or endorsements if those same circumstances apply. Among these circumstances, the SOS may act as described above if the applicant fails to satisfy specified Federal regulations by refusing to certify the type of commercial motor vehicle operation the applicant intends to perform and fails to prevent valid medical certification to the SOS if required to do so. The Code waived the requirement from July 1, 2020, to December 31, 2020, pursuant to the Waiver in Response to the COVID-19 National Emergency – For States, CDL Holders, CLP Holders, and Interstate Drivers Operating Commercial Motor Vehicles, or any extension of the waiver issued after December 31, 2020. The bill further waived the requirement until August 31, 2021, and allows for extension of the waiver after August 31, 2021.

The Code prohibits the SOS from renewing or upgrading a vehicle group designation if certain circumstances apply. Among other circumstances, SOS must not renew or upgrade a vehicle designation if on or after January 30, 2012, the applicant fails to meet the requirements of 49 CFR parts 383 and 391 by refusing to certify the type of commercial motor vehicle operation that applicant intends to perform and fails to present medical certification to the SOS if required to do so. The Code waived the requirement from July 1, 2020, to December 31, 2020, pursuant to the Waiver in Response to the COVID-19 National Emergency – For States, CDL Holders, CLP Holders, and Interstate Drivers Operating Commercial Motor Vehicles. The bill waived the requirement until August 31 and allows for extension of the waiver after August 31, 2021.

General Provisions

Notwithstanding any other provision in the Code, the following applied:

- A commercial driver license that expired on or after March 1, 2020, was valid until March 31, 2021.
- A medical certification for driver license holders with a group designation required under 49 CFR 391.45 that expired on or after March 1, 2020, was valid until March 31, 2021.

Under the bill, notwithstanding any other provision of the Code, the following apply:

- A commercial driver license that expired on or after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.
- Medical certifications for driver license holders with a group designation required under 49 CFR 391.45 that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the date it expired.

Late Fees

Notwithstanding any other provisions of the Code, late fees must not be assessed on the following vehicles:

- A vehicle under Section 801(1)(j) or (k) or Section 801g whose registration expired on or after March 1, 2020, and whose registration was renewed before March 31, 2021.
- All other vehicles registered under the Code whose registration expired on or after March 1, 2020, and whose registration was renewed before March 31, 2021.

Under the bill, notwithstanding any other provisions in the Code and subject to a provision of the bill described below, late fees must not be assessed on the following vehicles:

- A vehicle registered under Section 801(1)(j) or (k) or 801g whose registration expired after March 31, 2021, but before August 1, 2021, and whose registration was renewed within 120 days after the date it expired; upon an applicant's request, the SOS must reimburse a late renewal fee assessed and collected on these registrations whose registration expired after March 31, 2021, but before August 1, 2021, and whose registration was renewed within 120 days after the date it expired.
- All other vehicles registered under the Code whose registration expired after March 31, 2021, but before August 1, 2021, and whose registration was renewed within 120 days after the date it expired; upon an applicant's request, the SOS had to reimburse a late renewal fee assessed and collected for all other vehicles registered under the Code whose registration expired after March 31, 2021, but before August 1, 2021, and whose registration was renewed within 120 days after the date it expired.

Under the bill, notwithstanding any other provision in the Code and subject to a provision of the bill described below, the following apply:

- The SOS must not assess a late renewal fee for a registration under Section 216(2), 226(11) or 13, or 255(4), if the registration expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the date of the expiration.
- Upon an applicant's request, the SOS must reimburse a late renewal fee assessed and collected for a registration described above if it expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the date it expired.

(A vehicle registered under Section 801(1)(j) includes: 1) a truck weighing 8,000 pounds or less, and not used to tow a vehicle; 2) a privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit-making venture; and 3) a vehicle designed and used to tow a mobile home or a trailer coach. A vehicle registered under Section 801(1)(k) includes a truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles. Section 801g concerns vehicle registrations related to the international registration plan.)

The bill prohibits the SOS from assessing a late renewal fee under the Code until the SOS resumes providing adequate in-person services. "Adequate in-person services" means providing in-person service options, without the requirement of an advance appointment, on each day and at each location a SOS branch office is open for services in the State. The services provided must allow for same-day transactions to be completed.

The Code prescribes certain fees for an application for an original operator's or an original or renewal chauffeur's license and an application for an original minor's restricted license. The renewal fee for an operator's license is \$18. If an operator's license is expired at the time of the renewal, the fee is the same as the original fee. Under the bill, except as otherwise provided below, if an operator's license is expired at the time of the renewal, the fee is the same as the original fee.

Notwithstanding any other provision of the Code, the bill specifies that the following apply:

- The SOS must not assess a late renewal fee for a document described in the bill that expired after March 31, 2021, but before August 1, 2021, and were renewed within 120 days after the expiration date.
- Upon an applicant's request, the SOS must reimburse a late renewal fee assessed and collected for any of those document that expires after March 31, 2021, but before August 1, 2021, and were renewed within 120 days after the expiration date.

Senate Bill 508

The Enhanced Driver License and Enhanced State Personal Identification Card Act allows the SOS to issue an enhanced driver license or enhanced official State personal ID card to an applicant who provides certain information. The Act specifies that an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, was considered valid until March 31, 2021. Under the bill, an enhanced driver license or enhanced official State personal ID card that expired after March 31, 2021, but before August 1, 2021, was valid until 120 days after the expiration date.

The Act requires an application for an original enhanced driver license or enhanced official State personal ID card to be accompanied by payment of a fee of not more than \$50. The renewal fee for an enhanced driver license or enhanced official State personal ID card that is expired at the time of renewal must be the same as the fee prescribed above. Under the bill, this provision is subject to the late renewal fee provision of the bill described below.

Under the Act, if the SOS received an application to renew an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, and before March 31, 2021, the SOS had processed the application as a renewal of an existing license or card. Under the bill, if the SOS received an application to renew an enhanced driver license or enhanced official State personal ID card that expired after March 31, 2021, but before August 1, 2021, the SOS had to process the application as a renewal of an existing enhanced license or card until 120 days after the expiration date.

The Act prohibits the SOS from assessing a late renewal fee for an enhanced driver license or enhanced official State personal ID card that expired on or after March 1, 2020, and was renewed before March 31, 2021. Under the bill, subject to the late renewal fee provision of the bill described below, the following apply:

- The SOS must not assess a late renewal fee for an enhanced driver license or enhanced official State personal ID card that expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the expiration date.
- The SOS must, upon an applicant's request, reimburse a late renewal fee assessed and collected for an enhanced driver license or enhanced official State personal ID card that expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the date the license or card expired.

Notwithstanding any other provision of the Act, the bill provides that if on July 29, 2021, the SOS was not providing adequate in-person service, the SOS could not assess a late renewal fee until it resumed providing adequate in-person services.

Senate Bill 509

Under Public Act 222 of 1972, except as otherwise provided by the Act, an applicant for an official State personal ID card must pay a fee of \$10 to the SOS for each original or renewal card issued. The SOS must not assess a late renewal fee for an official State personal ID card that expired on or after March 1, 2020, and was renewed before March 31, 2021. Under the

bill, the SOS must not assess a late renewal fee for an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the expiration date. The SOS must, upon an applicant's request, reimburse a late renewal fee assessed and collected for an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, and was renewed within 120 days after the date the card expired.

The Act specifies that an original or renewal official State personal ID card expires on the birthday of the individual to whom it is issued in the fourth year following the date of issuance or on the date the individual is no longer considered to be present in the United States legally. Notwithstanding the provision above, the Act specifies that an official State personal ID card that expired on or after March 1, 2020, was considered valid until March 31, 2021. Under the bill, an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, was considered valid until 120 days after the expiration date. The bill specifies that, if the SOS received an application to renew an official State personal ID card that expired after March 31, 2021, but before August 1, 2021, the SOS was required to process the application as a renewal of an existing ID card until 120 days after the expiration date.

MCL 257.1a et al. (S.B. 507)
28.304 & 28.306 (S.B. 508)
28.292 (S.B. 509)

Legislative Analyst: Tyler P. VanHuysse

FISCAL IMPACT

Senate Bill 507

The bill likely did not have a significant fiscal impact on the Department of State, as the fees from renewals of registrations, certificates, endorsements, and driver licenses eventually were collected by the Department, albeit at a later date than normal. Regarding late fees, the Department likely saw a decrease in revenue as the Department of State was not be allowed to assess a late fee at renewal for a registration, certificate, endorsement, or license or registration that expired between March 1, 2020, and September 30, 2021, if the Secretary of State did not provide adequate in-person services as prescribed. On average the Department of State collects an estimated \$965,000 per month in late fees for these renewals.

Senate Bill 508 & Senate Bill 509

The bills likely had a negligible fiscal impact on the Department of State as the bills only delayed the collection of those license renewal fees. Waiving the late fees for renewals under certain circumstances likely slightly decreased late fee revenue. The loss in revenue to the Department of State is indeterminate and depended on the actual number of late fees that were waived.

Fiscal Analyst: Joe Carrasco, Jr.

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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.