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Senate Bills 459 and 460 (Substitute S-1 as reported)
Senate Bills 461 (Substitute S-2 as reported)
Senate Bill 894 (as reported without amendment)
Sponsor: Senator Sarah Anthony
Committee: Transportation and Infrastructure

CONTENT

Senate Bill 461 (S-2) would amend the Michigan Vehicle Code to do the following:

- Require the Secretary of State (SOS) to develop, or enter a contract with a vendor to develop, a mobile license system and set requirements for the system within 18 months of the bill's effective date.
- Allow the SOS to issue a mobile operator's license or mobile chauffeur's license to an individual upon request if the individual held a valid physical operator's license or chauffeur's license, after the SOS developed or entered a contract to develop the mobile license system.
- Require the SOS to regularly update an individual's information in a mobile operator's license or mobile chauffeur's license with data that matched the SOS's current record and set the validity period of a mobile operator's license or mobile chauffeur's license.
- Prescribe a maximum \$4 fee for an original or renewal mobile enhanced license or card.
- Provide that a requirement under the Code to surrender, destroy, or confiscate a license would not apply to the electronic device on which a mobile operator's or chauffeur's license or a mobile enhanced driver license was provisioned.
- Establish the Mobile License Fund.

Senate Bill 460 (S-1) would amend the Enhanced Driver License and Enhanced Official State Personal Identification Card Act to do the following:

- Allow the SOS to issue a mobile enhanced driver license or mobile enhanced official State personal identification card to an individual upon request if the individual held a valid physical enhanced driver license or enhanced official State personal identification card, after the SOS developed or entered a contract to develop a mobile license system as required by Senate Bill 461 (S-2).
- Require the SOS to regularly update an individual's information in a mobile enhanced driver license or mobile enhanced card with data that matched the SOS's current record and set the validity period of a mobile enhanced driver license or mobile enhanced card.
- Prescribe a fee that could not be more than \$4 for an original or renewal mobile enhanced license or card.
- Provide that a requirement under the Act or the Michigan Vehicle Code to surrender, destroy, or confiscate a license would not apply to the electronic device on which a mobile enhanced driver license was provisioned.

Senate Bill 459 (S-1) would amend Public Act (PA) 222 of 1972, which governs the issuance of official State personal identification cards, to do the following:

- Allow the SOS to issue a mobile official State personal identification card to an individual upon request if the individual had a valid physical official State personal identification card,

- after the SOS developed or entered a contract to develop the mobile license system required by Senate Bill 461 (S-2).
- Require the SOS to regularly update an individual's information in a mobile card with data that matched the SOS's current record and set the validity period of a mobile card.
- Allow an individual to display the individual's mobile card on an electronic device upon request by a police officer or relying party.
- Prescribe a fee that could not be more than \$4 for an original or renewal mobile card.
- Exempt a mobile card from specified requirements, such as formatting requirements of a physical card.
- Apply certain requirements of physical personal identification cards to mobile cards.

Senate Bill 894 would enact the "Relying Parties on Mobile Licenses Act" to prescribe privacy protections for mobile operator's or chauffeur's licenses, mobile enhanced driver licenses or mobile enhanced cards, and mobile cards.

The bills are tie-barred.

MCL 28.292 (S.B. 459)
 28.302 & 28.304 (S.B. 460)
 257.25 et al. (S.B. 461)

BRIEF RATIONALE

As of March 2024, 13 states offered residents mobile driver's licenses (mDLs).¹ Nine more were piloting development programs, while 13 more were considering mDL legislation.² Reportedly, mDLs are more secure, efficient, and convenient than physical forms of identification. Depending on the state, mDLs holders may use their digital licenses to verify their information at age-restricted locations, verify their identify to law enforcement, and for voting purposes. As the trend towards digital identification continues across the nation, it has been suggested that Michigan also provide for mDLs.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bills would have some, yet-to-be determined costs for the Department of State (DOS) to begin to implement the issuance of mobile cards, mobile enhanced driver and enhanced cards, and mobile operator's and chauffeur's licenses. They would allow the DOS to issue mobile versions of those identification cards and thus would have only negligible direct costs.

The Fiscal Year (FY) 2023-24 budget for the DOS includes \$100,000 in one-time funding to cover its costs for entering a contract with a vendor to develop a mobile license system. Senate Bill 461 (S-2) would require the DOS to keep individuals' information contained in a mobile license or ID regularly updated, to set the validity period of a mobile license or ID, and to promulgate rules to regulate relying parties and the information that could be requested and retained from the holder of a mobile license or identification card. The DOS could incur costs to implement those requirements and could require the hiring of additional full-time equivalents. The estimated annual cost of a State classified employee for FY 2023-24 for salary and benefits is \$140,000. There could be additional costs to the DOS for any programming and software costs that could be necessary to provide mobile licenses and

¹ These states are Arizona, Colorado, Delaware, Florida, Georgia, Iowa, Louisiana, Maryland, Mississippi, Ohio, Utah, and Virginia. In February 2024, Oklahoma's mDL app was pulled from the market after the U.S. Department of Justice found that it violated the Americans with Disabilities Act.

² For more information, see <https://idscan.net/mobile-drivers-licenses-mdl-state-adoption/>.

identification cards as well as to comply with the required updating of individuals' information. Those costs are indeterminate and depend on how much work would be accomplished by the contractors.

The bills would have an indeterminate fiscal impact on State and local law enforcement. Though the bills' provisions would create a method by which electronic drivers' licenses and State IDs could be used in interactions with law enforcement, it is not known at this time what electronic devices or computer programming, and possible associated costs, would be required by law enforcement agencies for this to be accomplished.

Date Completed: 11-27-24

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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.