

STATE ID CARD FEE WAIVER

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Senate Bill 404 (H-1) as reported from House committee
Sponsor: Sen. Margaret O'Brien
House Committee: Military and Veterans Affairs
Senate Committee: Veterans, Military and Homeland Security
Complete to 12-10-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 404 would amend Public Act 222 of 1972 to require the Secretary of State to waive the fee for issuance of a state personal identification card under certain circumstances.

Currently, Public Act 222 of 1972 provides for the issuance of an official state personal identification card. Under the act, an applicant must pay a \$10 fee to the Secretary of State for each original or renewal ID card issued. The Secretary of State must waive the fee if the applicant is any of the following:

- An individual who is 65 years of age or older.
- An individual who has had his or her driver's license suspended, revoked, or denied under the Vehicle Code because of mental or physical infirmity or disability.
- An individual who presents evidence of statutory blindness.
- An individual who decides to add or remove a heart insignia indicating a wish to participate in the anatomical gift donor registry.
- An individual who presents another good cause for a fee waiver.

The bill would add the following individuals to the list of those for whom the Secretary of State would have to waive the fee:

- An individual who presents evidence of a notice of case action from the Department of Health and Human Services indicating that he or she is a participant in the Family Independence Program and/or the State Disability Assistance Program and is making application for an official state personal identification card during a period in which he or she is receiving benefits from the program(s).
- An individual who presents evidence of a United States Social Security Administration benefit award letter or benefit verification letter indicating that he or she is currently receiving payments under the Federal Supplemental Security Income Program or the Social Security Disability Income Program.
- An individual who is a veteran, meaning an individual who served in the United States Armed Forces, including the reserve components, and was discharged or released under conditions other than dishonorable. (The applicant would have to provide proof of discharge or separation of service and of the nature of that discharge or separation.)

- An individual who presents both of the following:
 - A homeless verification letter stating that he or she meets the definition of Category 1 Homeless as defined by the United States Department of Housing and Urban Development. A letter provided as evidence would have to be submitted on the official letterhead of a public service agency. The department could verify the information contained in the letter with the agency of issuance before issuing an official state personal identification card.
 - A photo identification card generated from the U.S. Department of Housing and Urban Development Homeless Management Information System.

The bill would take effect 90 days after its enactment.

MCL 28.292

HOUSE COMMITTEE ACTION:

The House Committee on Military and Veterans Affairs reported an H-1 substitute for the bill. The substitute added provisions allowing for the waiver of the fee for homeless individuals and those receiving benefits under assistance programs, as described above.

FISCAL IMPACT:

The bill would result in a decrease in revenue to the Department of State. The extent of the decrease would depend on the number of veterans who take advantage of the \$10 fee exemption for a new or renewal state personal ID card.

The most recent data on Michigan's veteran population from the U.S. Department of Veterans Affairs (VA) estimate that there are 608,000 veterans in Michigan. A separate estimate from the U.S. Census Bureau puts the number at 559,000. For this analysis, the VA estimate is used. Currently, residents aged 65 years and older are already exempt from the fee. Eliminating the number of veterans estimated to be 65 and older, the annual number of veterans eligible to take advantage of the waiver would be 78,500.

A significant portion of these veterans would also not be expected to accept the waiver since they already have state driver's licenses. Existing data, however, do not provide for the number of veterans with driver's licenses. The U.S. Department of Transportation estimates that 87% of the driving-age population is licensed to drive. Assuming, then, that 80% of the Michigan veteran population is licensed to drive, 15,700 vets would be eligible for the waiver, resulting in a revenue decrease of \$157,000. Since it is possible that the veteran driving population is unlike the national average, multiple estimates are given below according to varying percentages.

Percentage of Veterans Licensed to Drive	Number of Waived \$10 Fees	Annual Revenue Decrease
80%	15,700	(\$157,000)
65%	27,475	(\$274,750)
50%	39,250	(\$392,500)

The Secretary of State currently waives the ID card fee to participants in the Family Independence Program, the State Disability Assistance Program, the Social Security Disability Insurance Program, and the Supplemental Security Income Program in accordance with the current statute’s provision to waive the fee for those who present a “good cause.” Senate Bill 404 codifies this interpretation and would therefore have no fiscal impact on the Department of State.

Revenue from ID cards is used to support various line items and operations within the Department of State. There would be no fiscal impact to local units of government.

POSITIONS:

Representatives of the following organizations testified in support of the bill (11-27-18):

- Community Housing Network
- HOPE Adult Shelter and Recuperative Care Center
- My Brothers Keepers Homeless Shelter

The following entities indicated support for the bill (11-27-18):

- American Legion of Lansing
- Military Order of the Purple Heart
- Michigan Coalition Against Homelessness

A representative of the Secretary of State testified with concerns and a neutral position on the bill. (11-27-18)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.