

## DENY OR SUSPEND VEHICLE REGISTRATION OF CARRIERS FOR OOS ORDER

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**House Bill 4839 as reported from committee w/o amendment**

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

**Sponsor: Rep. Curt VanderWall**

**Committee: Transportation and Infrastructure**

*(Enacted as Public Act 74 of 2018)*

**Complete to 10-26-17**

### SUMMARY:

House Bill 4839 would amend the Michigan Vehicle Code both to require the Secretary of State (SOS) to refuse to issue or transfer a vehicle registration for and to allow the SOS to cancel, revoke, or suspend a vehicle registration, title, or plate for a motor carrier subject to an out-of-service (OOS) order.

More specifically, the bill would require the SOS to refuse to issue or transfer a registration for any of the following:

- an applicant who is a motor carrier subject to an OOS order,
- an applicant who applied for a registration as a subterfuge for a person subject to an OOS order,
- an applicant whose business is operated, managed, controlled by, or affiliated with a person that is ineligible for registration—including, but not limited to, the applicant, a relative or family member of the applicant, or a corporate officer or shareholder of the applicant.

The bill would also allow the SOS to cancel, revoke, or suspend a vehicle registration, title or plate if the owner is a motor carrier subject to an out of service order, as well as allow a law enforcement officer to confiscate a registration plate issued to a motor carrier subject to an OOS order.

The term "out-of-service order" would be defined to mean that term as defined in 49 CFR 390.5 and also includes an OOS order issued under 49 CFR 386.73. Generally, an OOS order would prohibit the operation of a motor carrier because either the mechanical condition, the load, or the condition of the driver is deemed unsafe.

MCL 257.219 and MCL 257.258

### FISCAL IMPACT:

The bill would result in a limited decrease in revenue to the Michigan Transportation Fund (MTF) from fewer out-of-state commercial trucks registering in Michigan. Funds from the MTF are distributed to local governments and various state agencies to support road repair and maintenance. All of Michigan's bordering and nearby states—Ohio, Indiana, Wisconsin, Minnesota, and Illinois—currently track all national OOS orders issued by the Federal Motor Carrier Safety Administration (FMCSA) and deny and suspend registrations

accordingly. Michigan does not yet have the ability to track all national OOS orders nor does it have the authority to deny and suspend the registrations of motor carriers with an out-of-service order sanction. Motor carriers suspended in nearby states may therefore seek to register in Michigan.

Data is not yet available to indicate how many out-of-state vehicles may be registered in Michigan to avoid OOS sanctions. Data from the U.S. Department of Transportation from 2014 reported that there was a total of 1,395 OOS motor carriers denied registrations from the nearby states mentioned above. The Michigan registration fee for a large truck or tractor-trailer combination weighing the maximum allowed weight for an 18-wheeler is \$1,660.

Costs related to implementing and enforcing the provisions in the bill are being covered by a \$332,640 Federal grant issued by the FMCSA to the International Registration Plan Office within the Michigan Department of State. There are no other direct fiscal impacts to the state or local governments.

**POSITION:**

A representative of the office of the Secretary of State testified in support of the bill.  
(10-17-17)

Legislative Analyst: E. Best  
Fiscal Analyst: Michael Cnossen

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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.