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SFA**BILL ANALYSIS**

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Senate Bill 581 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Philip E. Hoffman
Committee: Transportation and Tourism

Date Completed: 6-27-97

CONTENT

The bill would amend the Michigan Vehicle Code to increase registration taxes on trucks weighing up to 8,000 pounds towing a tractor or any other combination of vehicles and trucks weighing 8,001 or more pounds, road tractors and truck tractors. The bill also would increase registration taxes on the following:

- Hearses or ambulances used by a licensed funeral director.
- Vehicles owned by the State, a State institution, municipalities, privately incorporated nonprofit volunteer fire departments, nonprofit colleges and universities, and municipal franchise operations.
- Buses used for school purposes, as specified in the Code, including station wagons, carryalls or similarly constructed vehicles owned by certain nonprofit organizations; and vehicles owned and operated by senior citizen centers.
- Trucks weighing up to 8,000 pounds and not used to tow a vehicle, privately owned trucks used to tow a trailer for recreational purposes, and vehicles used to tow a mobile home or a trailer coach.
- Commercial passenger vehicles.

In addition, the bill would delete the separate category of registration fees for pickup trucks and vans weighing up to 5,000 pounds and owned by a business or corporation (and would make these vehicles subject to registration fees based on list price). The bill also would establish fees for trucks weighing less than 80,000 pounds that were driven in Michigan less than 25,000 miles a year.

The bill also would increase from \$15 to \$20 the special registration fee for trucks and tractors that transport farm crops from the field to storage; and would establish per-trip fees for special permits issued to certain nonconforming vehicles. In addition, the bill provides that persons fined for unlawful vehicle weights also would be liable for an assessment equal to double the fine, which would have to be deposited in the Michigan Transportation Fund.

Registration Fees

The Secretary of State currently is required to collect certain taxes when a vehicle is registered. For a hearse or ambulance used exclusively by a licensed funeral director, including a hearse or ambulance whose owner was engaged in the business of leasing or renting the hearse or ambulance to others, the bill would increase the tax from \$1.17 to \$1.58 per 100 pounds of the empty weight of the vehicle.

For a motor vehicle owned and operated by the State, a State institution, a municipality, a privately incorporated, nonprofit volunteer fire department, or a nonpublic, nonprofit college or university, the tax would increase from \$5 to \$6.75 per set. For each motor vehicle operating under municipal franchise, the tax would increase from 65 cents to 88 cents per 100 pounds of the empty weight of a motor vehicle weighing less than 2,500 pounds; from 80 cents to \$1.08 per 100 pounds of the empty weight of a motor vehicle weighing 2,500 to 4,000 pounds; from \$1 to \$1.35 per 100 pounds of the empty weight of a motor vehicle weighing 4,001 to 6,000 pounds; and from \$1.25 to \$1.69 per 100 pounds of the empty weight of a motor vehicle weighing over 6,000 pounds.

For a bus including a station wagon, carryall, or similarly constructed vehicle owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school or society, church Sunday school, or any other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility, or a motor vehicle owned and operated by a senior citizen center, designated by proper signs showing the organization operating the vehicle, the bill would increase the tax from \$10 to \$13.50 per set.

Under the Code, for each truck weighing up to 8,000 pounds and not used to tow a vehicle, for each privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit-making venture, and for each vehicle designed and used to tow a mobile home or a trailer coach, except as provided for trailer coaches used as habitations that are not exempt from property taxes, the tax is \$38 or an amount computed according to a schedule of weights, whichever is greater. The bill would increase the fee from \$38 to \$51, and would increase the schedule of fees (per 100 pounds on empty weights) as follows:

<u>Current</u>	<u>Proposed</u>	<u>Empty Weight</u> (pounds)
\$1.40	\$1.89	0 to 2,500
\$1.76	\$2.38	2,501 to 4,000
\$2.20	\$2.97	4,001 to 6,000
\$2.72	\$3.67	6,001 to 8,000
\$3.25	\$4.39	8,001 to 10,000
\$3.77	\$5.09	10,001 to 15,000
\$4.39	\$5.93	over 15,00

For each truck weighing up to 8,000 pounds towing a trailer or any other combination of vehicles and for each truck weighing 8,001 pounds or more, road tractor or truck tractor, except as provided above (and, under the bill, except for trucks that weighed less than 80,000 pounds and were driven under 25,000 miles in the State in a year), the bill would increase the current fee assessed according to a schedule of elected gross weights, as follows:

<u>Current</u>	<u>Proposed</u>	<u>Elected Gross Weight</u> (pounds)
\$378	\$400	0 to 24,000
\$429	\$558	24,001 to 28,000
\$499	\$649	28,001 to 32,000
\$572	\$744	32,001 to 36,000
\$672	\$874	36,001 to 42,000
\$773	\$1,005	42,001 to 48,000
\$873	\$1,135	48,001 to 54,000
\$975	\$1,268	54,001 to 60,000

\$1,075	\$1,398	60,001 to 66,000
\$1,176	\$1,529	66,001 to 72,000
\$1,277	\$1,660	72,001 to 80,000
\$1,379	\$1,793	80,001 to 90,000
\$1,540	\$2,002	90,001 to 100,000
\$1,710	\$2,223	100,001 to 115,000
\$1,883	\$2,448	115,001 to 130,000
\$2,054	\$2,670	130,001 to 145,000
\$2,226	\$2,894	145,001 to 160,000
\$2,398	\$3,117	over 160,000

Currently, for each commercial vehicle registered under this provision, \$15 must be deposited in a truck safety fund to be spent for the purposes prescribed in the Michigan Transportation Fund Act. The bill would retain this requirement. The bill also provides that each commercial vehicle registered under this provision would receive a credit of 50% of the toll per trip for each trip over the Mackinac Bridge against the registration tax. The total credit allowed in a calendar year could not exceed the increase in registration tax imposed by the bill.

The bill also would increase the fee per 100 pounds of empty weight for each commercial vehicle used to transport passengers for hire (except for a public transportation vehicle) according to the following schedule:

<u>Current</u>	<u>Proposed</u>	<u>Empty Weight</u> (pounds)
\$1.76	\$2.38	0 to 4,000
\$2.20	\$2.97	4,001 to 6,000
\$2.72	\$3.67	6,001 to 10,000
\$3.25	\$4.39	over 10,000

The bill would delete the fee schedule for pickup trucks or vans that weigh up to 5,000 pounds and are owned by a business, corporation, or person other than an individual (i.e., \$39 for 0 to 4,000 pounds of empty weight, \$44 for 4,001 to 4,500 pounds, and \$49 for 4,501 to 5,000 pounds). These vehicles would be subject to a tax schedule based on a vehicle's list price (which currently applies to each motor vehicle of the 1984 or subsequent model year that previously has not been subject to the Code's vehicle registration tax rates and is the type of motor vehicle that otherwise is subject to the tax schedule for motor vehicles and for pickup trucks and vans that weigh up to 5,000 pounds).

For each truck weighing less than 80,000 pounds that was driven less than 25,000 miles in Michigan in a year, the bill would establish the following fee schedule:

<u>Fee</u>	<u>Elected Gross Weight</u> (pounds)
\$435	0 to 24,000
\$493	24,001 to 28,000
\$574	28,001 to 32,000
\$658	32,001 to 36,000
\$773	36,001 to 42,000
\$889	42,001 to 48,000
\$1,004	48,001 to 54,000
\$1,121	54,001 to 60,000

\$1,236	60,001 to 66,000
\$1,352	66,001 to 72,000
\$1,469	72,001 to 80,000

In addition, for each commercial vehicle registered under this provision, \$15 would have to be deposited in a truck safety fund to be spent for purposes prescribed in the Michigan Transportation Fund Act.

Fines for Unlawful Vehicle Weights

Currently, an owner or lessee of a vehicle who allows a vehicle to be loaded and driven on a highway when the vehicle's weight exceeds certain weight limits is responsible for a civil infraction and must pay a fine, as specified in the Code. The bill provides that in addition to this fine, the owner or lessee of the vehicle would be liable for an assessment equal to double the fine, which would have to be deposited in the Michigan Transportation Fund.

Nonconforming Vehicle Permits

Under the Code, a jurisdictional authority may issue a special permit that authorizes a person to operate upon or remove from a highway maintained by the authority certain nonconforming vehicles. The jurisdictional authority may require a reasonable inspection fee and other security, as determined by the authority, to compensate for damages caused by the movement of these vehicles. The bill provides that the fee charged by a jurisdictional authority would have to be \$35 per trip for vehicles with elected gross weights up to 90,000 pounds, \$55 for vehicles with elected gross weights up to 130,000 pounds, and \$75 for vehicles with elected gross weights over 130,000 pounds.

Transporting Farm Crops

Currently, upon application to the Secretary of State, an owner of a truck, truck tractor, or road tractor that is used exclusively for gratuitously transporting farm crops between the field where produced and the place of storage or used to transport fertilizer, seed, or spray material from the farm location to the field may obtain a special registration. The bill would increase the fee for this registration from \$15 to \$20.

MCL 257.724 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

Fiscal Analyst: B. Bowerman

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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.