

REGISTRATION TAX REDUCTION FOR VEHICLES WITH WHEELCHAIR LIFT OR HAND CONTROLS

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Senate Bill 815 as passed by the Senate

Sponsor: Sen. Ken Horn

House Committee: Transportation and Infrastructure

Senate Committee: Transportation

Complete to 4-9-18

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

SUMMARY:

Senate Bill 815 would amend the Michigan Vehicle Code to modify the applicability of a 50% registration tax reduction that is currently provided for vans owned by an individual who uses a wheelchair or transports a member of his or her household who uses a wheelchair, so that the reduction would apply to any passenger vehicle that is so used and that has been modified with a wheelchair lift mechanism or hand controls.

Currently under the Code, the Secretary of State is required to collect certain vehicle registration taxes at the time of vehicle registration. The tax depends on the weight and type of vehicle. A van owned by an individual who uses a wheelchair or who transports a member of his or her household who uses a wheelchair, and for which special disabled registration plates have been issued, must be assessed at the rate of 50% of the relevant tax provided for in the Code.

The bill would delete the requirement that the vehicle be a van and instead require that the vehicle be a passenger motor vehicle that has been modified with a permanently installed wheelchair lift mechanism or with permanently installed hand controls.

The bill would define *permanently installed hand controls* to mean a permanently installed device designed to replace the brake and gas pedals of a motor vehicle with hand controls.

The bill would take effect 90 days after being enacted.

MCL 257.801

FISCAL IMPACT:

The bill would have an indeterminate, but limited, fiscal impact on the Michigan Transportation Fund (MTF). Funds from the MTF are distributed to the Department of Transportation, local governments, and other state agencies to support the cost of road maintenance and other purposes.

The impact to MTF revenue would depend on two main opposing factors. An increase in revenue would be expected if there is a decrease in the number of vans eligible for the

discount due to the bill's requirement that vehicles have a permanently installed lift mechanism *or* permanently installed hand controls. These vans would therefore be required to pay for a full registration. However, a decrease in revenue would be expected if the bill's expansion of the type of vehicle eligible for the discount, from van to passenger motor vehicle, results in a greater number of vehicles being eligible and receiving a 50% registration discount.

There are no data available to determine how many vehicles would be no longer be eligible, or newly eligible, to receive the registration discount. In 2016, the Department of State issued 4,744 registrations with the applied 50% discount. The average vehicle registration is approximately \$120.

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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.