



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 815 (as reported without amendment)  
Sponsor: Senator Ken Horn  
Committee: Transportation

Date Completed: 3-21-18

### **RATIONALE**

Under the Michigan Vehicle Code, a van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which special registration plates are issued must be given a discounted rate when paying the vehicle's registration tax. Evidently, many vehicles today are capable of being modified to include wheelchair lifts or other hand control devices to allow someone who is disabled more mobility. It has been suggested that the conditions a vehicle must meet to qualify for the rate reduction should include any type of passenger vehicle that has been modified with a permanent wheelchair lift or hand controls.

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to reduce the registration tax by 50% for a passenger motor vehicle that had been modified with a permanently installed wheelchair lift mechanism or with permanently installed hand controls, instead of a van, owned by a person who uses a wheelchair or someone who transports a member of his or her household who uses a wheelchair.**

The Code requires the Secretary of State to collect certain vehicle registration taxes at the time of registering a vehicle. The tax depends on the weight and type of vehicle. As stated above, a van that is owned by an individual who uses a wheelchair or by an individual who transports a member of his or her household who uses a wheelchair and for which registration plates are issued under Section 803d must be assessed at the rate of 50% of the relevant tax provided for in the Code.

(Section 803d allows a disabled person to apply to the Secretary of State for, and allows the Secretary of State to issue, special registration plates inscribed with the official international wheelchair symbol or a reasonable facsimile of that symbol and special identification numbers.)

The bill would delete the requirement that the vehicle be a van. Instead, the bill would require the vehicle to be a passenger motor vehicle that had been modified with a permanently installed wheelchair lift mechanism or with permanently installed hand controls. "Permanently installed hand controls" would 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 it was enacted.

MCL 257.801

### **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

Modern technologies allow different kinds of vehicles, such as trucks and sport utility vehicles, to be converted to meet the needs of a disabled person and increase his or her mobility. Such innovations include, for example, swivel seats or seats that raise and lower the driver from the steering wheel to ground-level, a winch to raise and lower a wheelchair from the bed of a pickup truck, and modified doors, such as sliding or butterfly-style doors, to provide easier entry and exit.

In addition, vehicles can be modified to include hand controls. There are many different types of hand control systems available to consumers, such as a "push rock" system (where the driver eases a handle to accelerate or presses it to brake), a "right angle" system (where the driver pushes a handle forward to brake and downward at a right angle to accelerate), a "push pull" system (where the driver pushes a handle down toward the floor to brake and pulls it back up to accelerate), and a "right hand" system (where the driver pushes a floor-mounted control to brake and pulls to accelerate).

Permanently modifying a vehicle with some of these alterations can be expensive. According to one article, a new vehicle modified with adaptive equipment can cost between \$20,000 and \$80,000.<sup>1</sup> By amending Michigan Law to allow different vehicles to be considered eligible for a discounted rate, the bill would reflect modern technological capabilities, remove confusion and stringency regarding what vehicles may receive the reduced rate, and offset the financial burden of modifying a vehicle to enhance a person's mobility.

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill could have a minimal, yet positive fiscal impact on the Department of State's revenue receipts from vehicle registrations. Under the bill, all passenger motor vehicles would have to be modified with a permanently installed wheelchair lift mechanism or permanently installed hand controls in order to be eligible for a 50% reduction in the registration tax. In 2016, the Department issued 4,744 registrations that received the 50% discounted rate. There are no data available to determine how many of those 4,744 vehicles would meet the proposed requirement for either a permanently installed wheelchair lift mechanism or hand controls. Thus, it is indeterminate how many vehicle owners would have to pay the full registration tax because their vehicles did not meet the bill's requirement. The Department could see an increase in the revenue received for those vehicles that would no longer be eligible for the 50% discount; however, the amount of revenue is indeterminate and dependent on the number of vehicles that would be subject to the full registration tax and the amount of that tax based on the category of vehicle.

Fiscal Analyst: Joe Carrasco

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<sup>1</sup> "Adaptive Driving: Vehicle Hand Controls and Products Information", [www.disabled-world.com](http://www.disabled-world.com), 6-25-2017.

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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.