



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

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. Currently, 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 permits the Secretary of State to issue plates with the international wheelchair symbol to a person with a disability.)

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.

MCL 257.801

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.

Date Completed: 3-12-18

Fiscal Analyst: Joe Carrasco