



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4839 (as passed by the House)
Sponsor: Representative Curt VanderWall
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 1-31-18

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- **Require the Secretary of State (SOS) to refuse to issue a registration or a transfer of registration to an applicant that was a motor carrier subject to an out-of-service order, or that was trying through subterfuge to obtain or was otherwise ineligible to obtain a registration or a transfer of registration.**
- **Allow the SOS to cancel, revoke, or suspend the registration of a vehicle, certificate of title, registration certificate, or registration plate if the owner were a motor carrier subject to an out-of-service order.**
- **Allow a law enforcement officer to confiscate a registration plate issued to a motor carrier subject to an out-of-service order.**

The bill would take effect 90 days after it was enacted.

SOS: Refusal to Issue or Transfer Registration

The Code requires the SOS to refuse issuance of a registration or a transfer of registration for reasons listed under the Code, such as false or fraudulent statements on an application.

The bill also would require the SOS to refuse issuance of a registration or a transfer of registration if any of the following applied:

- The applicant was a motor carrier subject to an out-of-service order.
- The applicant had applied for a registration or transfer registration as a subterfuge for a person subject to an out-of-service order.
- The applicant's business was operated, managed, controlled by, or affiliated with a person that was ineligible for registration, including the applicant, a relative or family member of the applicant, or a corporate officer or shareholder of the applicant.

SOS: Registration Cancellation, Revocation, or Suspension

The Code allows the SOS to cancel, revoke, or suspend the registration of a vehicle, a certificate of title, registration certificate, or registration plate under certain circumstances, such as the SOS determining that the registration, certificate of title, or plate was fraudulently or erroneously issued.

The bill also would allow the SOS to cancel, revoke, or suspend the registration of a vehicle, a certificate of title, registration certificate, or registration plate if the owner were a motor carrier subject to an out-of-service order.

In addition, a law enforcement officer could confiscate a registration plate issued to a motor carrier subject to an out-of-service order.

Out-of-Service Order

As used in the bill, "out-of-service order" would mean that term as defined in 49 CFR 390.5, and also would include an out-of-service order issued under 49 CFR 386.73.

("Out-of-service order" is defined by 49 CFR 390.5 as a declaration by an authorized enforcement officer of a Federal, state, Canadian, Mexican, or local jurisdiction that a driver, a commercial motor vehicle, or a motor carrier operation is out-of-service under specific Federal regulations, or compatible laws, or the North American Uniform Out-of-Service Criteria.

Under 49 CFR 386.73, a Federal Motor Carrier Safety Administration (FMCSA) official may issue an out-of-service order to prohibit a motor carrier (or another type of entity listed in the regulation) from conducting operations under the jurisdiction of the FMCSA, if the carrier operated or attempted to operate under a new identity or as an affiliated entity in order to avoid complying with an FMCSA order, complying with a statutory or regulatory requirement, paying a civil penalty, responding to an enforcement action, or being linked with a negative compliance history.)

MCL 257.219 & 257.258

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill could have a negative fiscal impact on State and local government. If the bill resulted in fewer motor carrier registrations, less money from registration fees would be contributed to the Michigan Transportation Fund (MTF), which is distributed via Public Act 51 of 1951 to the Department and to counties and cities/villages.

Any costs to the Department of State associated with implementing the bill, including programming costs, customer online processing changes, or trainings and materials, would be paid from the Federal grant received in 2016 from the Federal Motor Carrier Safety Administration.

Fiscal Analyst: Joe Carrasco
Michael Siracuse

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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.