



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



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

Senate Bill 876 (Substitute S-1)
Sponsor: Senator Wayne A. Schmidt
Committee: Transportation and Infrastructure

Date Completed: 5-12-20

CONTENT

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

- **Specify that a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020.**
- **Specify that a registration issued to any vehicle described above that was used for commercial purposes and expired between March 1, 2020, and June 29, 2020, to be valid until June 30, 2020.**
- **Specify that a commercial vehicle, trailer, or semitrailer registration issued a registration under an international registration plan that expired between March 1, 2020, and June 29, 2020, would be valid until June 30, 2020.**
- **Provide that a driver license that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020.**
- **Specify that certain provisions of the bill would not affect the Secretary of State's authority to revoke or suspend a driver license or a group designation or endorsement under the Code.**
- **Prohibit the SOS from assessing late fees on registered vehicles whose registrations expired between February 1, 2020, and May 31, 2020, and whose registrations were renewed before June 30, 2020.**

General Registration & Certificate of Title

Under the Code, every motor vehicle, recreational vehicle, trailer, semitrailer, and pole trailer, when driven or moved on a street or highway, is subject to the registration and certificate of title provisions of the Code, except for certain vehicles, trailers, and equipment exempted by the Code.

Under the bill, except as otherwise provided, a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020. If the registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that was used for commercial purposes expired between March 1, 2020, and June 29, 2020, the registration would be valid until June 30, 2020.

The Code also specifies that a vehicle registration issued by the Secretary of State expires on the owner's birthday, unless another expiration date is provided for under the Code or unless

the registration is for the following vehicles, in which case registration expires on the last day of February:

- A commercial vehicle except for a commercial vehicle issued a registration under the international registration plan or a pickup truck or van owned by an individual.
- Except for a trailer or semitrailer issued a registration under the international registration plan, a trailer or semitrailer owned by a business, corporation, or person other than an individual.

In addition, the expiration date for a registration issued for a motorcycle is the motorcycle owner's birthday.

Under the bill, a vehicle registration described above that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020.

Commercial Vehicle Registration

Under the Code, in the case of a commercial vehicle, trailer, or semitrailer issued a registration under the international registration plan, the SOS in mutual agreement with the owner may assign or reassign the expiration date of the registration. However, the expiration date agreed to must be either March 31, June 30, September 30, or December 31 or beginning on February 19, 2019, the last day of a calendar month. Renewals expiring on or after June 30, 2020, must be for a minimum of at least 12 months if there is a change in the established expiration date.

Under the bill, notwithstanding the above provisions, a commercial vehicle, trailer, or semitrailer registration as issued above that expired between March 1, 2020 and June 29, 2020 would be valid until June 30, 2020.

(The international registration plan provides licenses to commercial vehicles to participate in interstate operations among states and territories involved in the agreement.)

Noncommercial Vehicle Registration

Under the Code, a person may not operate, nor may an owner knowingly permit to be operated, upon any highway, a vehicle required to be registered under the Code unless no later than 30 days after the vehicle is registered or the vehicle's registration is renewed, a valid registration plate issued for the vehicle by the SOS for the current registration year is attached to and displayed on the vehicle.

Under the bill, a noncommercial vehicle registration described above that expired between February 1, 2020, and May 31, 2020, but was renewed on or before June 30, 2020, would not be in violation of the above provision. A commercial vehicle registration described above that expired between March 1, 2020, and June 29, 2020, but was renewed on or before June 30, 2020, also would not be in violation of the above provision.

Operator's or Chauffeur's License

Under the Code, an individual may not drive a motor vehicle on a highway in the State unless the individual has a valid operator's or chauffeur's license with the appropriate group designation and indorsements for the type or class of vehicle being driven or towed.

The bill specifies that an operator's or chauffeur's license that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020. The bill also specifies that, notwithstanding any other provisions in the Code, the following would apply:

- A commercial driver license that expired between March 1, 2020, and June 29, 2020, would be valid until June 30, 2020.
- Medical certification for operator's or chauffeur's license holders with a group designation required under 49 CFR 391.45 that expired between March 1, 2020, and June 29, 2020, would be valid until June 30, 2020.

In addition, hazardous material endorsements that expired between March 1, 2020, and July 31, 2020, would be valid for an additional 180 days from the original expiration date. A security threat assessment required under 49 CFR 1572.13a that was valid on or after March 1, 2020, would be valid until the extension was exhausted. An individual with a hazardous material endorsement that was extended for 180 days would have to initiate a security threat assessment with the National Highway Traffic Safety Administration at least 60 days before the expiration of the hazardous material endorsement.

(Title 49 CFR 391.45 specifies the individuals who must be medically examined and certified as physically qualified to operate a commercial motor vehicle. The regulation requires states to issue hazardous materials endorsements by undergoing certain assessments, including a security threat assessment to make certain an operator does not pose a threat to transportation security.)

The bill specifies that the provisions above would not affect the SOS's authority to revoke or suspend an operator's or chauffeur's license or a group designation or endorsement under the Code.

Expiration of Operator's or Chauffeur's License

Under the Code, except as otherwise provided, an operator's license and chauffeur's license expires on the birthday of the individual to whom the license is issued in the fourth year following the date of the issuance of the license or on the date the individual is no longer considered to be legally present in the United States, whichever is earlier, unless the license is suspended or revoked before that date.

Under the bill, notwithstanding provisions of the Code related to the expiration of an operator's or chauffeur's license, a license that expired between February 1, 2020, and May 31, 2020, would be valid until June 30, 2020.

Late Fee Assessment

Chapter VII (Registration Fees) of the Code establishes a schedule of fees for motor vehicle registration. If the SOS does not receive certain taxes required to be paid on or before the expiration of a registration plate, the Secretary of State must collect a late fee.

Under the bill, notwithstanding the provisions in Chapter VII, the Secretary of State could not assess late fees for the following vehicles:

- A vehicle registered under Section 801(1)(j) or (k) or Section 801g whose registration expired between March 1, 2020, and June 29, 2020, and whose registration was renewed before June 30, 2020.
- All other vehicles registered under Chapter VII whose registration expired between February 1, 2020, and May 31, 2020, and whose registration was renewed before June 30, 2020.

(A vehicle registered under Section 801(1)(j) includes: 1) a truck weighing 8,000 pounds or less, and not used to tow a vehicle; 2) a privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit-making venture; and 3) a vehicle designed and used to tow a mobile home or a trailer coach. A vehicle registered under Section

801(1)(k) includes a truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles. Section 801g concerns vehicle registrations related to the international registration plan.)

MCL 257.216 et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The Department of State should not be significantly impacted by the proposed change as the fees from renewal of registrations, certificates, endorsements, and operator's and chauffeur's licenses will eventually be collected by the Department, albeit at a later date than normal. The bill would allow registrations, certificates, endorsements, and operator's and chauffeur's licenses that expire between February 1, 2020 and May 31, 2020, to remain valid until June 30, 2020.

Regarding late fees, the Department could see a decrease in those revenues as the Department of State would not access a late fee at renewal for a registration, certificate, endorsement, or license or registration that expired between February 1, 2020, and May 31, 2020, so long as renewal occurs by June 30, 2020 (as stated in Executive Order 2020-47). On average the Department of State collects an estimated \$965,000 per month in late fees for these renewals.

Fiscal Analyst: Joe Carrasco

SAS1920\sb876sb

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.