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BILL ANALYSIS



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House Bill 5989 (Substitute H-1 as passed by the House)
Sponsor: Representative Walter DeLange
House Committee: Transportation
Senate Committee: Transportation and Tourism

Date Completed: 11-12-96

CONTENT

The bill would amend the Michigan Vehicle Code to permit the owner of a fleet of at least 25 vehicles to apply to the Secretary of State for special registration plates, and to do the following.

- Permit the Secretary of State to issue a registration certificate and plate for each vehicle, and require the name, emblem, trademark, or logo of the company issued fleet plates to be displayed permanently on the vehicles.
- Require the registration tax to be paid annually, and require the Secretary of State to suspend the registration on these vehicles if the tax were not paid.
- Permit an owner or lessee to add or delete a vehicle from the list of vehicles registered under the bill.
- Permit the Secretary of State, or an authorized representative, to visit a fleet owner during regular business hours to examine registration records.
- Revise the special registration fee for vehicles weighing 24,000 pounds or more.

The bill would take effect October 1, 1997.

Fleet Registration

Notwithstanding any other provision in the Code, the owner or lessee of a fleet of at least 25 vehicles that were or were to be registered under the Code's general registration tax provisions could apply to the Secretary of State for special registration plates for 25 or more vehicles in a fleet. An application would have to be on a form prescribed by the Secretary of State and include an agreement that, at a minimum, the applicant agreed to pay annual fleet registration taxes under the bill.

Upon approval of the application and payment of the required registration taxes, the Secretary of State could issue the applicant a registration plate and a registration certificate for each vehicle. The registration plate and certificate would have to be in a format as prescribed by the Secretary of State.

The name, emblem, trademark, or logo of the company issued fleet registration plates would have to be displayed prominently on the right and left sides of all vehicles registered by that applicant. The name, emblem, trademark, or logo would have to contain letters, figures, or numerals in sharp contrast to the background of the name, emblem, trademark, or logo and would have to be of a size, shape, and color as to be readily legible during daylight hours from a distance of 50 feet.

The registration tax for each vehicle registered under the bill would have to be paid annually. Registration taxes would be payable in full by the due date provided in the Code. If the owner of a vehicle registered under the bill failed to pay the annual registration tax for that vehicle or failed to comply with the terms of the fleet registration plate agreement, the Secretary of State would have to suspend immediately the registration of all vehicles registered by that owner under the bill. The registration would remain suspended and the owner could not apply for a vehicle's registration or reregistration until the tax owed was paid in full. After notifying the owner, the Secretary of State would have to notify law enforcement of any plate suspended under the bill.

An owner or lessee in good standing could at any time add a vehicle to the list of vehicles registered in a fleet. To add a vehicle, the owner or lessee would have to submit an application to the Secretary of State, in a form prescribed by the Secretary of State, accompanied by the required registration taxes.

At any time, an owner or lessee could delete a vehicle's registration from the list of vehicles registered under the bill. To delete a vehicle, the owner would have to notify the Secretary of State of the proposed deletion in a form prescribed by the Secretary of State and surrender to him or her the registration plate assigned to the deleted vehicle.

A vehicle not titled or leased in the name of the applicant would not be eligible for registration under the bill. A vehicle registered under the Code's provisions on the registration of trucks engaged in interstate commerce and passenger vehicle rental fleets would not be eligible for registration under the bill.

The Secretary of State or his or her authorized representative could visit and examine the vehicle registration records of an owner whose vehicles were registered under the bill. The bill specifies that this authority would apply to visits during owner's regular business hours and to those vehicles and records necessary for the Secretary of State to determine an owner's compliance with the bill.

Special Registration Plate Fee

Currently, the Secretary of State may issue a registration for at least three months for a vehicle with an elected gross weight of at least 24,000 pounds. The registration fee must be one-tenth of the registration fee provided in the Code for trucks, road tractors, or truck tractors, times the number of months for which the special registration fee is requested, plus a service fee of \$10. The bill would change the fraction used in this calculation from one-tenth to one-twelfth.

MCL 257.802 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

Changing the percentage multiplier for the fee for temporary registration plates for vehicles with a gross weight of 24,000 pounds or greater from one-tenth to one-twelfth would result in a minimal loss to the Michigan Transportation Fund.

Allowing for special registration plates for fleets would result in administrative savings.

Fiscal Analyst: B. Bowerman

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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.