



**House
Legislative
Analysis
Section**

House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

**WOOD HARVESTING; VEHICLE
PLATE**

**House Bill 5899 as introduced
First Analysis (4-25-02)**

**Sponsor: Rep. Scott Shackleton
Committee: Transportation**

THE APPARENT PROBLEM:

According to committee testimony, logging companies that move raw forest product to the mill for processing sometimes transport their product to a temporary storage site until the mill is ready to process their round log product. Then, there also are occasions when the felled trees are taken from low and swampy areas during winter when the ground is frozen, transported along a temporary and company-built road, and decked or stacked on higher ground near a highway, to await pick-up and transport to the mill in the spring. Or, sometimes the round logs are taken from the forest to a railroad yard and loaded into a rail car that delivers them to a mill site for processing. In all three of these instances, the bark is not stripped off the round logs, so they are not considered to be "processed." Nonetheless, inspectors from the Motor Carrier Division of the Department of State Police have sometimes ticketed the log haulers, claiming they are not eligible for the reduced fee log hauler license plate, if they do not take their load directly to the mill. In effect, the enforcement officers argue that because the law says that the log haulers are eligible for the reduced fee plate only when they haul or transport the raw material from the forest to the mill site, the haulers are prohibited by law from dropping the load at a temporary staging area, or from delivering it to a railroad car unless they have a commercial license plate. The commercial license plate would cost the hauler about 90 percent more than the reduced fee log haulers plate, a difference of several thousand dollars per vehicle.

In order to allow log haulers to remain eligible for the license plate which costs about ten percent as much as a commercial vehicle license plate, legislation has been introduced that would allow haulers to drop their round log loads at secondary sites, before the product is delivered to its primary site, the processing mill.

THE CONTENT OF THE BILL:

House Bill 5899 would amend the Michigan Vehicle Code to expand the availability of a wood haulers' discounted license plate to those who transport wood products "in the form produced at the harvest site."

Currently under the law, the secretary of state collects a vehicle registration tax for various carriers who operate motor vehicles and trailers under the Motor Carrier Act. The law specifies that for a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations, the registration fee is 74 cents per 100 pounds of empty weight. (The same rate is available to milk haulers.) The law defines "wood harvester" to include the person or persons hauling and transporting raw materials only from the forest to the mill site, and it also specifies that "wood harvesting operations" does not include the transportation of processed lumber.

Under House Bill 5899, the description of "wood harvesting operations" as those operations not including the transportation of processed lumber would be retained. However, "wood harvester" would be defined to include the person or persons hauling and transporting raw materials in the form produced at the harvest site.

MCL 257.801

FISCAL IMPLICATIONS:

Fiscal information is not available.

ARGUMENTS:

For:

This legislation would clarify the intent of the law. Log haulers are eligible for a reduced rate license plate rather than a commercial license plate, if they are moving their product out of the forest to a processing site. However, there are times that temporary decking (or stacking) of the raw product is

House B ill 5899 (4-25-02)

necessary, if, for example, the logs are harvested from swampy areas when the ground is frozen, and then stored on higher ground until they are moved to a mill following the spring thaw. Or, sometimes the product is decked by the log haulers after their trucks move the load to an intermediate site where it awaits transport to the mill, by rail. Currently some log haulers are being ticketed by law enforcement officers in the Motor Carrier Division of the Department of State Police, when they store their loads temporarily at intermediate sites. The officers who write the tickets note that the law specifies that a hauler must take the raw product directly to the mill for processing. In order to clarify that intermediate storage is sometimes acceptable without jeopardizing a hauler's eligibility for the reduced rate license plate, this bill should be enacted.

Against:

This legislation is unnecessary since the Department of State Police, Motor Carrier Division has issued a clarification of the law in order to ensure uniform ticketing practices by its officers.

Against:

If this legislation makes more haulers eligible for the special reduced rate license plate, the revenue from commercial plate sales could decline. The special plate for log hauling costs several thousands of dollars less than the regular commercial plate; about 10 percent of the commercial rate according to testimony. Revenue from license plate sales is one revenue source in the Michigan Transportation Fund, and when commercial plate sales decline, so too does that source of revenue in the fund.

POSITIONS:

The Office of the Secretary of State is neutral on the bill. (4-24-02)

The Timber Producers Association supports the bill. (4-24-02)

The Michigan Association of Timbermen supports the bill. (4-24-02)

The Michigan Professional Log Truck Council supports the bill. (4-24-02)

The Michigan Railroads Association supports the bill. (4-24-02)

The Michigan Farm Bureau supports the bill. (4-24-02)

Analyst: J. Hunault

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.