

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

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5899 (Substitute S-2 as reported)  
Sponsor: Representative Scott Shackleton  
House Committee: Transportation  
Senate Committee: Transportation and Tourism

### **CONTENT**

The bill would amend the Michigan Vehicle Code to revise the definition of "wood harvester" for the purposes of a vehicle registration tax.

Currently, the Secretary of State collects taxes at the time of registering a vehicle. The taxes are based on the weight and use of a vehicle. Under the Code, a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with wood harvesting operations is taxed 74 cents per 100 pounds of empty weight. "Wood harvester" is defined as the person or persons hauling and transporting raw materials only from the forest to the mill site. Under the bill, a wood harvester would be a person or persons hauling and transporting raw materials in the form produced at the harvest site. The Code specifies that "wood harvesting operations" does not include the transportation of processed lumber; the bill also would exclude the transportation of Christmas trees or processed firewood for a profit-making venture.

MCL 257.801

Legislative Analyst: Claire Layman

### **FISCAL IMPACT**

The bill could have a slight negative fiscal impact on the State. The bill would make a change in statute to reflect the current practice of commercial wood harvesters and the Motor Carrier Division of the Michigan State Police. Most commercial wood harvesters currently have a log haulers license plate for the transportation of raw materials. Due to the definition of "mill site" used in statute and the typical transportation procedures of raw materials by the commercial harvesters, it can be interpreted that a portion of the trip from the harvest site to the mill requires a commercial license plate instead of a log haulers license plate. The bill would codify the current practice of allowing the use of the log haulers plate for transportation of raw materials between locations other than the harvest site and the mill.

While most commercial wood harvesters are using the reduced-fee log haulers plate exclusively, some may currently be purchasing a commercial license plate and would shift to the log haulers plate, which would reduce revenues slightly. Also, a few tickets have been written by the State Police to harvesters for not using a commercial license plate for certain trips, and this interpretation of the law would no longer be applicable.

Date Completed: 5-20-02

Fiscal Analyst: Jessica Runnels