

# HOUSE BILL No. 6348

November 10, 2004, Introduced by Rep. Kolb and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 801 (MCL 257.801), as amended by 2003 PA 152.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 801. (1) The secretary of state shall collect the  
2 following taxes at the time of registering a vehicle, which shall  
3 exempt the vehicle from all other state and local taxation,  
4 except the fees and taxes provided by law to be paid by certain  
5 carriers operating motor vehicles and trailers under the motor  
6 carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed  
7 by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to  
8 207.234; and except as otherwise provided by this act:

9       (a) For a motor vehicle, including a motor home, except as  
10 otherwise provided, and a pickup truck or van that weighs not

1 more than 5,000 pounds, except as otherwise provided, according  
 2 to the following schedule of empty weights:

| 3  | Empty weights               | —Fee                   |
|----|-----------------------------|------------------------|
| 4  |                             | <b>Tax</b>             |
| 5  | 0 to 3,000 pounds.....      | \$ 29.00               |
| 6  | 3,001 to 3,500 pounds.....  | 32.00                  |
| 7  | 3,501 to 4,000 pounds.....  | 37.00                  |
| 8  | 4,001 to 4,500 pounds.....  | 43.00                  |
| 9  | 4,501 to 5,000 pounds.....  | 47.00                  |
| 10 | 5,001 to 5,500 pounds.....  | 52.00                  |
| 11 | 5,501 to 6,000 pounds.....  | 57.00                  |
| 12 | 6,001 to 6,500 pounds.....  | 62.00                  |
| 13 | 6,501 to 7,000 pounds.....  | 67.00                  |
| 14 | 7,001 to 7,500 pounds.....  | 71.00                  |
| 15 | 7,501 to 8,000 pounds.....  | 77.00                  |
| 16 | 8,001 to 8,500 pounds.....  | 81.00                  |
| 17 | 8,501 to 9,000 pounds.....  | 86.00                  |
| 18 | 9,001 to 9,500 pounds.....  | 91.00                  |
| 19 | 9,501 to 10,000 pounds..... | 95.00                  |
| 20 | over 10,000 pounds.....     | \$ 0.90 per 100 pounds |
| 21 |                             | of empty weight        |

22 **Beginning October 1, 2006, the tax assessed under this**  
 23 **subdivision for each weight category shall be an amount**  
 24 **established by the secretary of state by administrative rule**  
 25 **promulgated under the administrative procedures act of 1969, 1969**  
 26 **PA 306, MCL 24.201 to 24.328. The secretary of state shall set**

1 the tax amounts for the weight categories according to all of the  
2 following principles:

3 (i) To produce approximately the same total revenue as was  
4 produced in fiscal year 2004-2005 under the provisions of  
5 subdivision (p).

6 (ii) To encourage use of lighter vehicles that tend to be  
7 more fuel-efficient.

8 (iii) To apportion higher taxes to heavier vehicles that  
9 cause more damage to roads.

10 ~~On October 1, 1983, and October 1, 1984, the~~ **The** tax  
11 assessed under this subdivision shall be annually revised for the  
12 registrations expiring on the appropriate October 1 or after that  
13 date by multiplying the tax assessed in the preceding fiscal year  
14 times the personal income of Michigan for the preceding calendar  
15 year divided by the personal income of Michigan for the calendar  
16 year ~~which~~ **that** preceded that calendar year. In performing the  
17 calculations under this subdivision, the secretary of state shall  
18 use the spring preliminary report of the United States department  
19 of commerce or its successor agency. A van ~~which~~ **that** is owned  
20 by an individual who uses a wheelchair or by an individual who  
21 transports a resident of his or her household who uses a  
22 wheelchair and for which registration plates are issued ~~pursuant~~  
23 ~~to~~ **under** section 803d shall be assessed at the rate of 50% of  
24 the tax provided for in this subdivision.

25 (b) For a trailer coach attached to a motor vehicle, the tax  
26 shall be assessed as provided in subdivision (l). A trailer  
27 coach not under 1959 PA 243, MCL 125.1035 to 125.1043, and while

1 located on land otherwise assessable as real property under the  
2 general property tax act, 1893 PA 206, MCL 211.1 to 211.157, if  
3 the trailer coach is used as a place of habitation, and whether  
4 or not permanently affixed to the soil, ~~shall~~ **is** not ~~be~~  
5 exempt from real property taxes.

6 (c) For a road tractor, truck, or truck tractor owned by a  
7 farmer and used exclusively in connection with a farming  
8 operation, including a farmer hauling livestock or farm equipment  
9 for other farmers for remuneration in kind or in labor, but not  
10 for money, or used for the transportation of the farmer and the  
11 farmer's family, and not used for hire, 74 cents per 100 pounds  
12 of empty weight of the road tractor, truck, or truck tractor. If  
13 the road tractor, truck, or truck tractor owned by a farmer is  
14 also used for a nonfarming operation, the farmer ~~shall be~~ **is**  
15 subject to the highest registration tax applicable to the nonfarm  
16 use of the vehicle but ~~shall~~ **is** not ~~be~~ subject to more than 1  
17 tax rate under this act.

18 (d) For a road tractor, truck, or truck tractor owned by a  
19 wood harvester and used exclusively in connection with the wood  
20 harvesting operations or a truck used exclusively to haul milk  
21 from the farm to the first point of delivery, 74 cents per 100  
22 pounds of empty weight of the road tractor, truck, or truck  
23 tractor. A registration secured by payment of the ~~fee~~ **tax** as  
24 prescribed in this subdivision ~~shall continue~~ **continues** in full  
25 force and effect until the regular expiration date of the  
26 registration. As used in this subdivision, "wood harvester"  
27 includes the person or persons hauling and transporting raw

1 materials in the form produced at the harvest site. As used in  
2 this subdivision, "wood harvesting operations" does not include  
3 the transportation of processed lumber, Christmas trees, or  
4 processed firewood for a profit making venture.

5 (e) For a hearse or ambulance used exclusively by a licensed  
6 funeral director in the general conduct of the licensee's funeral  
7 business, including a hearse or ambulance whose owner is engaged  
8 in the business of leasing or renting the hearse or ambulance to  
9 others, \$1.17 per 100 pounds of the empty weight of the hearse or  
10 ambulance.

11 (f) For a vehicle owned and operated by this state, a state  
12 institution, a municipality, a privately incorporated, nonprofit  
13 volunteer fire department, or a nonpublic, nonprofit college or  
14 university, \$5.00 per plate. A registration plate issued under  
15 this subdivision ~~shall expire~~ **expires** on June 30 of the year in  
16 which new registration plates are reissued for all vehicles by  
17 the secretary of state.

18 (g) For a bus including a station wagon, carryall, or  
19 similarly constructed vehicle owned and operated by a nonprofit  
20 parents' transportation corporation used for school purposes,  
21 parochial school or society, church Sunday school, or any other  
22 grammar school, or by a nonprofit youth organization or nonprofit  
23 rehabilitation facility; or a motor vehicle owned and operated by  
24 a senior citizen center, \$10.00, ~~per set,~~ if the bus, station  
25 wagon, carryall, or similarly constructed vehicle or motor  
26 vehicle is designated by proper signs showing the organization  
27 operating the vehicle.

1 (h) For a vehicle owned by a nonprofit organization and used  
2 to transport equipment for providing dialysis treatment to  
3 children at camp; for a vehicle owned by the civil air patrol, as  
4 organized under ~~sections 40301 to 40307 of title 36 of the~~  
5 ~~United States Code, 36 U.S.C.~~ **USC** 40301 to 40307, \$10.00 per  
6 plate, if the vehicle is designated by a proper sign showing the  
7 civil air patrol's name; for a vehicle owned and operated by a  
8 nonprofit veterans center; for a vehicle owned and operated by a  
9 nonprofit recycling center or a federally recognized nonprofit  
10 conservation organization; for a motor vehicle having a truck  
11 chassis and a locomotive or ship's body ~~which~~ **that** is owned by  
12 a nonprofit veterans organization and used exclusively in parades  
13 and civic events; or for an emergency support vehicle used  
14 exclusively for emergencies and owned and operated by a federally  
15 recognized nonprofit charitable organization, \$10.00 per plate.

16 (i) For each truck owned and operated free of charge by a  
17 bona fide ecclesiastical or charitable corporation, or red cross,  
18 girl scout, or boy scout organization, 65 cents per 100 pounds of  
19 the empty weight of the truck.

20 (j) For each truck, weighing 8,000 pounds or less, and not  
21 used to tow a vehicle, for each privately owned truck used to tow  
22 a trailer for recreational purposes only and not involved in a  
23 profit making venture, and for each vehicle designed and used to  
24 tow a mobile home or a trailer coach, except as provided in  
25 subdivision (b), \$38.00 or an amount computed according to the  
26 following schedule of empty weights, whichever is greater:

|                                | Per 100 pounds |
|--------------------------------|----------------|
| 1 Empty weights                |                |
| 2 0 to 2,500 pounds.....       | \$ 1.40        |
| 3 2,501 to 4,000 pounds.....   | 1.76           |
| 4 4,001 to 6,000 pounds.....   | 2.20           |
| 5 6,001 to 8,000 pounds.....   | 2.72           |
| 6 8,001 to 10,000 pounds.....  | 3.25           |
| 7 10,001 to 15,000 pounds..... | 3.77           |
| 8 15,001 pounds and over.....  | 4.39           |

9 If the tax required under subdivision (p) for a vehicle of  
10 the same model year with the same list price as the vehicle for  
11 which registration is sought under this subdivision is more than  
12 the tax provided under the preceding provisions of this  
13 subdivision for an identical vehicle, the tax required under this  
14 subdivision ~~shall~~ **is** not ~~be~~ less than the tax required under  
15 subdivision (p) for a vehicle of the same model year with the  
16 same list price.

17 (k) For each truck weighing 8,000 pounds or less towing a  
18 trailer or any other combination of vehicles and for each truck  
19 weighing 8,001 pounds or more, road tractor or truck tractor,  
20 except as provided in subdivision (j) according to the following  
21 schedule of elected gross weights:

| 22 Elected gross weight         | -Fee       |
|---------------------------------|------------|
| 23                              | <b>Tax</b> |
| 24 0 to 24,000 pounds.....      | \$ 491.00  |
| 25 24,001 to 26,000 pounds..... | 558.00     |
| 26 26,001 to 28,000 pounds..... | 558.00     |

|    |                                |          |
|----|--------------------------------|----------|
| 1  | 28,001 to 32,000 pounds.....   | 649.00   |
| 2  | 32,001 to 36,000 pounds.....   | 744.00   |
| 3  | 36,001 to 42,000 pounds.....   | 874.00   |
| 4  | 42,001 to 48,000 pounds.....   | 1,005.00 |
| 5  | 48,001 to 54,000 pounds.....   | 1,135.00 |
| 6  | 54,001 to 60,000 pounds.....   | 1,268.00 |
| 7  | 60,001 to 66,000 pounds.....   | 1,398.00 |
| 8  | 66,001 to 72,000 pounds.....   | 1,529.00 |
| 9  | 72,001 to 80,000 pounds.....   | 1,660.00 |
| 10 | 80,001 to 90,000 pounds.....   | 1,793.00 |
| 11 | 90,001 to 100,000 pounds.....  | 2,002.00 |
| 12 | 100,001 to 115,000 pounds..... | 2,223.00 |
| 13 | 115,001 to 130,000 pounds..... | 2,448.00 |
| 14 | 130,001 to 145,000 pounds..... | 2,670.00 |
| 15 | 145,001 to 160,000 pounds..... | 2,894.00 |
| 16 | over 160,000 pounds.....       | 3,117.00 |

17 For each commercial vehicle registered ~~pursuant to~~ **under**  
18 this subdivision \$15.00 shall be deposited in a truck safety fund  
19 to be expended for the purposes prescribed in section 25 of 1951  
20 PA 51, MCL 247.675.

21 If a truck or road tractor without trailer is leased from an  
22 individual owner-operator, the lessee, whether a person, firm, or  
23 corporation, shall pay to the owner-operator 60% of the ~~fee~~ **tax**  
24 prescribed in this subdivision for the truck tractor or road  
25 tractor at the rate of 1/12 for each month of the lease or  
26 arrangement in addition to the compensation the owner-operator is  
27 entitled to for the rental of his or her equipment.

1 (l) For each pole trailer, semitrailer, trailer coach, or  
2 trailer, the tax shall be assessed according to the following  
3 schedule of empty weights:

|   |                             |            |
|---|-----------------------------|------------|
| 4 | Empty weights               | -Fee       |
| 5 |                             | <b>Tax</b> |
| 6 | 0 to 2,499 pounds.....      | \$ 75.00   |
| 7 | 2,500 to 9,999 pounds.....  | 200.00     |
| 8 | 10,000 pounds and over..... | 300.00     |

9 The registration plate issued under this subdivision expires  
10 only when the secretary of state reissues a new registration  
11 plate for all trailers. If the secretary of state reissues a new  
12 registration plate for all trailers, a person who has once paid  
13 the ~~-fee-~~ **tax** for a vehicle under this subdivision shall not be  
14 required to pay the ~~-fee-~~ **tax** for that vehicle a second time, but  
15 shall be required to pay only the cost of the reissued plate at  
16 the rate provided in section 804(2) for a standard plate. A  
17 registration plate issued under this subdivision is  
18 nontransferable.

19 (m) For each commercial vehicle used for the transportation  
20 of passengers for hire except for a vehicle for which a payment  
21 is made ~~pursuant to~~ **under** 1960 PA 2, MCL 257.971 to 257.972,  
22 according to the following schedule of empty weights:

|    |                            |                |
|----|----------------------------|----------------|
| 23 | Empty weights              | Per 100 pounds |
| 24 | 0 to 4,000 pounds.....     | \$ 1.76        |
| 25 | 4,001 to 6,000 pounds..... | 2.20           |

|   |                             |      |
|---|-----------------------------|------|
| 1 | 6,001 to 10,000 pounds..... | 2.72 |
| 2 | 10,001 pounds and over..... | 3.25 |

3 (n) For each motorcycle..... \$ 23.00

4 On October 1, 1983, and October 1, 1984, the tax assessed  
5 under this subdivision shall be annually revised for the  
6 registrations expiring on the appropriate October 1 or after that  
7 date by multiplying the tax assessed in the preceding fiscal year  
8 times the personal income of Michigan for the preceding calendar  
9 year divided by the personal income of Michigan for the calendar  
10 year ~~which~~ **that** preceded that calendar year. In performing the  
11 calculations under this subdivision, the secretary of state shall  
12 use the spring preliminary report of the United States department  
13 of commerce or its successor agency.

14 Beginning January 1, 1984, the registration tax for each  
15 motorcycle ~~shall be~~ **is** increased by \$3.00. The \$3.00 increase  
16 ~~shall is~~ not ~~be considered as~~ part of the tax assessed under  
17 this subdivision for the purpose of the annual October 1  
18 revisions but ~~shall be~~ **is** in addition to the tax assessed as a  
19 result of the annual October 1 revisions. Beginning January 1,  
20 1984, \$3.00 of each motorcycle fee shall be placed in a  
21 motorcycle safety fund in the state treasury and shall be used  
22 only for funding the motorcycle safety education program as  
23 provided for under sections 312b and 811a.

24 (o) For each truck weighing 8,001 pounds or more, road  
25 tractor, or truck tractor used exclusively as a moving van or  
26 part of a moving van in transporting household furniture and

1 household effects or the equipment or those engaged in conducting  
2 carnivals, at the rate of 80% of the schedule of elected gross  
3 weights in subdivision (k) as modified by the operation of that  
4 subdivision.

5 (p) After September 30, 1983 **and before October 1, 2006**, each  
6 motor vehicle of the 1984 ~~or a subsequent~~ **to 2005** model year as  
7 shown on the application required under section 217 ~~which~~ **that**  
8 has not been previously subject to the tax rates of this section  
9 and ~~which~~ **that** is of the motor vehicle category otherwise  
10 subject to the tax schedule described in subdivision (a), and  
11 each low-speed vehicle according to the following schedule based  
12 upon registration periods of 12 months:

13 (i) Except as otherwise provided in this subdivision, for the  
14 first registration ~~, which~~ **that** is not a transfer registration  
15 under section 809 and for the first registration after a transfer  
16 registration under section 809, according to the following  
17 schedule based on the vehicle's list price:

| 18 List Price                                 | Tax      |
|---|----------|
| 19 \$ 0 - \$ 6,000.00.....                    | \$ 30.00 |
| 20 More than \$ 6,000.00 - \$ 7,000.00.....   | \$ 33.00 |
| 21 More than \$ 7,000.00 - \$ 8,000.00.....   | \$ 38.00 |
| 22 More than \$ 8,000.00 - \$ 9,000.00.....   | \$ 43.00 |
| 23 More than \$ 9,000.00 - \$ 10,000.00.....  | \$ 48.00 |
| 24 More than \$ 10,000.00 - \$ 11,000.00..... | \$ 53.00 |
| 25 More than \$ 11,000.00 - \$ 12,000.00..... | \$ 58.00 |
| 26 More than \$ 12,000.00 - \$ 13,000.00..... | \$ 63.00 |

|    |  |           |
|----|--|-----------|
| 1  | More than \$ 13,000.00 - \$ 14,000.00..... | \$ 68.00  |
| 2  | More than \$ 14,000.00 - \$ 15,000.00..... | \$ 73.00  |
| 3  | More than \$ 15,000.00 - \$ 16,000.00..... | \$ 78.00  |
| 4  | More than \$ 16,000.00 - \$ 17,000.00..... | \$ 83.00  |
| 5  | More than \$ 17,000.00 - \$ 18,000.00..... | \$ 88.00  |
| 6  | More than \$ 18,000.00 - \$ 19,000.00..... | \$ 93.00  |
| 7  | More than \$ 19,000.00 - \$ 20,000.00..... | \$ 98.00  |
| 8  | More than \$ 20,000.00 - \$ 21,000.00..... | \$ 103.00 |
| 9  | More than \$ 21,000.00 - \$ 22,000.00..... | \$ 108.00 |
| 10 | More than \$ 22,000.00 - \$ 23,000.00..... | \$ 113.00 |
| 11 | More than \$ 23,000.00 - \$ 24,000.00..... | \$ 118.00 |
| 12 | More than \$ 24,000.00 - \$ 25,000.00..... | \$ 123.00 |
| 13 | More than \$ 25,000.00 - \$ 26,000.00..... | \$ 128.00 |
| 14 | More than \$ 26,000.00 - \$ 27,000.00..... | \$ 133.00 |
| 15 | More than \$ 27,000.00 - \$ 28,000.00..... | \$ 138.00 |
| 16 | More than \$ 28,000.00 - \$ 29,000.00..... | \$ 143.00 |
| 17 | More than \$ 29,000.00 - \$ 30,000.00..... | \$ 148.00 |

18 More than \$30,000.00, the ~~fee~~ **tax** of \$148.00 ~~shall be~~ **is**  
19 increased by \$5.00 for each \$1,000.00 increment or fraction of a  
20 \$1,000.00 increment over \$30,000.00. If a current ~~fee~~ **tax**  
21 increases or decreases as a result of 1998 PA 384, only a vehicle  
22 purchased or transferred after January 1, 1999 shall be assessed  
23 the increased or decreased ~~fee~~ **tax**.

24 (ii) For the second registration, 90% of the tax assessed  
25 under subparagraph (i).

26 (iii) For the third registration, 90% of the tax assessed  
27 under subparagraph (ii).

1 (iv) For the fourth and subsequent registrations, 90% of the  
2 tax assessed under subparagraph (iii).

3 For a vehicle of the 1984 ~~or a subsequent~~ to 2005 model  
4 year that has been previously registered by a person other than  
5 the person applying for registration or for a vehicle of the 1984  
6 ~~or a subsequent~~ to 2005 model year that has been previously  
7 registered in another state or country and is registered for the  
8 first time in this state, the tax under this subdivision shall be  
9 determined by subtracting the model year of the vehicle from the  
10 calendar year for which the registration is sought. If the  
11 result is zero or a negative figure, the first registration tax  
12 shall be paid. If the result is 1, 2, or 3 or more, then,  
13 respectively, the second, third, or subsequent registration tax  
14 shall be paid. A van ~~which~~ **that** is owned by an individual who  
15 uses a wheelchair or by an individual who transports a resident  
16 of his or her household who uses a wheelchair and for which  
17 registration plates are issued ~~pursuant to~~ **under** section 803d  
18 shall be assessed at the rate of 50% of the tax provided for in  
19 this subdivision.

20 (q) For a wrecker, \$200.00.

21 (r) When the secretary of state computes a tax under this  
22 section, a computation that does not result in a whole dollar  
23 figure shall be rounded to the next lower whole dollar when the  
24 computation results in a figure ending in 50 cents or less and  
25 shall be rounded to the next higher whole dollar when the  
26 computation results in a figure ending in 51 cents or more,  
27 unless specific ~~fees~~ **taxes** are specified, and the secretary of

1 state may accept the manufacturer's shipping weight of the  
2 vehicle fully equipped for the use for which the registration  
3 application is made. If the weight is not correctly stated or is  
4 not satisfactory, the secretary of state shall determine the  
5 actual weight. Each application for registration of a vehicle  
6 under subdivisions (j) and (m) shall have attached to the  
7 application a scale weight receipt of the vehicle fully equipped  
8 as of the time the application is made. The scale weight receipt  
9 is not necessary if there is presented with the application a  
10 registration receipt of the previous year ~~which~~ **that** shows on  
11 its face the weight of the motor vehicle as registered with the  
12 secretary of state and ~~which~~ **that** is accompanied by a statement  
13 of the applicant that there has not been a structural change in  
14 the motor vehicle ~~which~~ **that** has increased the weight and that  
15 the previous registered weight is the true weight.

16 (2) A manufacturer is not exempted under this act from paying  
17 ad valorem taxes on vehicles in stock or bond, except on the  
18 specified number of motor vehicles registered. A dealer is  
19 exempt from paying ad valorem taxes on vehicles in stock or  
20 bond.

21 (3) Until October 1, 2009, the ~~fee~~ **tax** for a vehicle with  
22 an empty weight over 10,000 pounds imposed ~~pursuant to~~ **under**  
23 subsection (1)(a) and the ~~fees~~ **taxes** imposed ~~pursuant to~~  
24 **under** subsection ~~(1)(b), (c)~~ **(1)(c)**, (d), (e), (f), (i), (j),  
25 (m), (o), and (p) ~~shall~~ **are** each ~~be~~ increased as follows:

26 (a) A regulatory fee of \$2.25, which shall be credited to the  
27 traffic law enforcement and safety fund created in section 819a

1 and used for the purpose of regulating highway safety.

2 (b) A fee of \$5.75, which shall be credited to the  
3 transportation administration collection fund created in section  
4 810b.

5 (4) If a tax required to be paid under this section is not  
6 received by the secretary of state on or before the expiration  
7 date of the registration plate, the secretary of state shall  
8 collect a late fee of \$10.00 for each registration renewed after  
9 the expiration date. An application for a renewal of a  
10 registration using the regular mail and postmarked before the  
11 expiration date of that registration shall not be assessed a late  
12 fee. The late fee collected under this subsection shall be  
13 deposited into the general fund.

14 (5) As used in this section:

15 (a) "Gross proceeds" means ~~gross proceeds~~ **that term** as  
16 defined in section 1 of the general sales tax act, 1933 PA 167,  
17 MCL 205.51. However, gross proceeds ~~shall~~ include the value of  
18 the motor vehicle used as part payment of the purchase price as  
19 that value is agreed to by the parties to the sale, as evidenced  
20 by the signed agreement executed ~~pursuant to~~ **under** section  
21 251.

22 (b) "List price" means the manufacturer's suggested base list  
23 price as published by the secretary of state, or the  
24 manufacturer's suggested retail price as shown on the label  
25 required to be affixed to the vehicle under ~~section 3 of the~~  
26 ~~automobile information disclosure act, Public Law 85-506,~~ 15  
27 ~~U.S.C.~~ **USC** 1232, if the secretary of state has not at the time

1 of the sale of the vehicle published a manufacturer's suggested  
2 retail price for that vehicle, or the purchase price of the  
3 vehicle if the manufacturer's suggested base list price is  
4 unavailable from the sources described in this subdivision.

5 (c) "Purchase price" means the gross proceeds received by the  
6 seller in consideration of the sale of the motor vehicle being  
7 registered.