Legislative Analysis



Mitchell Bean, Director Phone: (517) 373-8080 http://www.house.mi.gov/hfa

WOOD HARVESTER DEFINITION

Senate Bill 1035 as passed by the Senate

Sponsor: Sen. Mike Prusi

Senate Committee: Transportation House Committee: Transportation

First Analysis (3-22-06)

BRIEF SUMMARY: Senate Bill 1035 would amend the Michigan Vehicle Code (MCL 257.801) to revise the definition of "wood harvester" to include a person hauling or transporting wood harvesting equipment. [Note: Senate Bill 1035 contains essentially the same content as House Bill 5641, which has been reported from the House Committee on Transportation and passed by the full House.]

FISCAL IMPACT: The bill would have an indeterminate fiscal impact.

THE APPARENT PROBLEM:

Farming and logging vehicles are covered by a separate license plate system that charges farmers and wood harvesters a reduced fee and helps law enforcement officers more easily distinguish farm and logging vehicles from passenger vehicles. According to the Michigan Association of Timbermen, the special "log plate" saves the industry about \$500 per truck. Unfortunately, say Timbermen representatives, "there has been some confusion by the officers of the Michigan State Police Motor Carrier Division on just how the 'Log Plate' can be used." They say that while enforcement of the special plate in northern regions of Michigan accurately reflects the intent of the Michigan Vehicle Code, this is not the case in southern Michigan. Plate holders are being wrongfully ticketed and having their plates taken away due to confusion over how the Vehicle Code applies to the hauling of logging equipment. The MAT says that, due to a good working relationship with the Motor Carrier Division, many of the wrongful citations are resolved before getting too far in the legal process.

Legislation has been introduced to clarify what vehicles can rightfully use the log plate. In particular, amendments to the definition of "wood harvester" have been proposed so that the Vehicle Code more clearly allows the log plate to be used on vehicles hauling and transporting wood harvesting equipment, as well as harvested materials.

THE CONTENT OF THE BILL:

Senate Bill 1035 would amend the Michigan Vehicle Code (MCL 257.801) to revise the definition of "wood harvester" to specifically include a person **hauling or transporting wood harvesting equipment**. Wood harvesters are entitled to a special vehicle registration plate and a reduced registration tax.

Currently under the vehicle code, a "harvester" includes the person or persons hauling and transporting **raw materials** in the form produced at the harvest site. (The code also specifies that the term "wood harvesting operations" does not include the transportation of processed lumber, Christmas trees, or processed firewood for a profit-making venture.)

Under Senate Bill 1035, "wood harvester" would be defined to include the person or person hauling and transporting raw materials in the form produced at the harvest site or hauling and transporting wood harvesting equipment.

Under the bill, "wood harvesting equipment" would be defined to include all of the following:

- A vehicle that directly harvests logs or timber, including a processor or a feller buncher.
- A vehicle that directly processes harvested logs or timber, including a slasher, delimber, processor, chipper, or saw table.
- A vehicle that directly processes harvested logs or timber, including a forwarder, grapple skidder, or cable skidder.
- A vehicle that directly loads harvested logs or timber, including a knucle-boom loader, front-end loader, or forklift.
- A bulldozer or road grader being transported to a wood harvesting site specifically for the purpose of building or maintaining harvest site roads.

The term "wood harvester" would <u>not apply</u> to a person or persons whose primary activity is tree-trimming or landscaping.

BACKGROUND INFORMATION:

The provision that addresses the special plate for farmers says it applies to:

A road tractor, truck, or truck tractor owned by a farmer and used exclusively in connection with a farming operation, including a farmer hauling livestock or farm equipment for other farmers [though not for money], or used for the transportation of the farmer and the farmer's family, and not used for hire. (MCL 257.801(c).)

The provision that addresses the same special plate for wood harvesters says it applies to:

A road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations.

It then defines says the term "wood harvester" includes the person or persons hauling and transporting raw materials in the form produced at the harvest site. (MCL 257.801(d)

The registration tax is based on the empty weight of the road tractor, truck, or truck tractor and is set at 74 cents per 100 pounds.

ARGUMENTS:

For:

Providing an expanded definition of "wood harvester" in the portions of the Michigan Vehicle Code that allow for the use of a special registration plate (the log plate) will reduce the number of citations wrongfully issued to those in the forest products industry, according to industry representatives. It treats those in the forest products industry much like those in agriculture. This makes sense since both farmers and those in forest products use the same kind of special plate with a reduced fee. Industry representatives say the bill is meant to clarify the law and express its true intent.

Response:

Some persons have expressed concern over how to enforce the code to prevent cheating, especially with the provision that allows the hauling of bulldozers and road graders. Those pieces of equipment obviously have commercial uses beyond building and maintaining roads for harvesting timber. Since the special plate results in a significant saving, there is an incentive to purchase that plate rather than a regular commercial plate.

Rebuttal:

A spokesperson with the Department of State noted that trucks carrying commercial plates must have the company name on the side of each truck, which is a guide to enforcement. The consequences that flow from getting motor carrier citations make it not worth taking the chance.

POSITIONS:

The Michigan Association of Timbermen testified in support of the bill. (3-21-06)

The Timber Producers Association of Michigan and Wisconsin has indicated support for the bill. (3-21-06))

The Michigan Department of Transportation is neutral on the bill. (3-21-06)

Legislative Analyst: Chris Couch

J. Hunault

Fiscal Analyst: Robin Risko

[■] 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.