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**BILL ANALYSIS**

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Senate Bills 210 and 211 (as introduced 2-20-07)

Sponsor: Senator Michael Switalski

Committee: Appropriations

Date Completed: 3-27-07

CONTENT

The bills would amend the Michigan Vehicle Code to require that revenue from expedited title services (\$5 per transaction) and vehicle registration transfers (\$8 per transaction) be deposited into the Transportation Administration Collection Fund (TACF) instead of the Michigan Transportation Fund (MTF).

Under the Code, all \$5 expeditious title fees and \$8 registration transfer fees that were collected from October 1, 2004, through September 30, 2006, had to be deposited into the TACF. The Code requires these fees to be deposited into the MTF beginning on October 1, 2006. Both bills would eliminate this requirement, thus requiring the expeditious title fees (under Senate Bill 210) and the registration transfer fees (under Senate Bill 211) to continue to be deposited into the TACF.

MCL 257.806 (S.B. 210)

257.809 (S.B. 211)

FISCAL IMPACT

Before October 1, 2004, the revenue from the expedited title fee (\$5 per transaction) authorized under Section 806 of the Code and the revenue from the registration transfer fee (\$8 per transaction) authorized under Section 809 of the Code were deposited into the Michigan Transportation Fund. Under Public Acts 141 and 179 of 2005, the revenue from both fees was shifted to the TACF until October 1, 2006. Based on transaction data supplied by the Department of State for FY 2005-06, the expedited title fee generates an estimated \$1.1 million annually while the registration transfer fee generates about \$8.9 million annually.

Under the bill, the revenue from these two fees, which generate an estimated \$10.0 million annually, would continue to be deposited into the Transportation Administration Collection Fund, instead of the MTF. The redirection of \$10.0 million from the MTF to the TACF would have an impact on recipients of MTF revenue in the following amounts in FY 2006-07:

- Comprehensive Transportation Fund: (\$1.0 million)
- State Trunkline Fund: (\$3.5 million)
- County road commissions: (\$3.5 million)
- Cities and villages: (\$2.0 million)

The FY 2006-07 appropriation for the Department of State assumes the continuation of the funding shift to the TACF contemplated in the bill. The TACF revenue from the two fees for FY 2006-07 is estimated at \$10.0 million.

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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.