



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



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

House Bill 5085 (Substitute H-3 as passed by the House)
Sponsor: Representative Jeff Mayes
House Committee: Tourism, Outdoor Recreation, and Natural Resources
Senate Committee: Transportation

Date Completed: 4-22-08

CONTENT

The bill would amend Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act to do the following:

- Require a snowmobile registration to include the names and addresses of holders of any security interest in the snowmobile.**
- Permit the Department of State to suspend, revoke, or refuse to issue a snowmobile registration if the applicant did not provide all the required information, if all the required fees had not been paid, or under other circumstances.**
- Establish penalties for delinquent fees under Part 821, including a \$25 penalty if a fee were delinquent for 15 days and the suspension of a person's driver license if a fee remained delinquent after reasonable notice or demand.**
- Require any penalties collected under the bill to be used first to administer Part 821, with any remainder to be credited to the Recreational Snowmobile Trail Improvement Fund.**
- Provide for the issuance of a special identifying number or replacement vehicle number if a snowmobile's vehicle number had been altered, removed, or defaced, or were missing.**

The bill would take effect on July 1, 2009, and is described in detail below.

Snowmobile Registration

Part 821 requires the owner of each snowmobile requiring registration by the State to apply for registration with the Department of State before operation of the vehicle. The application must be on forms provided by the Department. The owner must sign the application and pay a fee of \$22. The bill also would require that the application include the following information:

- The new owner's name and bona fide residence address.
- The names and addresses of holders of any of any security interest in the snowmobile and its accessories in the order of priority.

In addition, the bill would require the certificate of registration to contain the name and address of the holders of secured interests.

The Department could cancel, suspend, revoke, or refuse to issue a snowmobile registration if any of the following occurred:

- The applicant had failed to furnish all required information or reasonable additional information requested by the Department.
- The required fees had not been paid.
- The applicant was not entitled to a snowmobile registration under Part 821.
- The Department issued the registration in error.
- The application contained a false or fraudulent statement.
- The Department had reasonable grounds to believe that the snowmobile was stolen or embezzled.

Currently, the transferee of a snowmobile registered under Part 821, within 15 days after acquiring it, must apply to the Department for a new certificate of registration. The transferee must give his or her name, address, and the previous registration number of the snowmobile. The bill instead would require the transferee to give proof of payment or satisfaction of any security interest shown on the previous owner's certificate of registration or Department records. The application would have to include the new owner's name, signature, and bona fide residence address and the names and addresses of the holders of security interests in the snowmobile and its accessories in the order of their priority.

Currently, the owner of a snowmobile must be issued a certificate of registration and a registration decal at the time application for a certificate of registration is made. The bill would remove that provision.

Part 821 permits the Department to destroy a record of a certificate of registration five years after its expiration. The bill would allow destruction after seven years.

Delinquent Payments

Under the bill, if a check, draft, or electronic payment of a required fee were not paid when it was first presented for payment, the fee would be delinquent as of the date the check, draft or electronic payment was tendered. The person tendering the check, draft, or electronic payment would remain liable for the payment of each fee and any penalty.

The Department could suspend the operator's or chauffeur's license of the person tendering the check, draft, or electronic payment for a snowmobile registration if it determined that a fee had not been paid and remained unpaid after reasonable notice or demand.

If a fee were delinquent for 15 days after the Department had notified a person who tendered the check, draft, or electronic payment, a \$25 penalty would have to be assessed and collected in addition to the fee.

Except as otherwise provided, the penalties collected under the bill would have to be deposited in the State's General Fund and used first to defray the administrative costs of the Department required by the registration provisions under Part 821. Any money not required for administration of the registration provisions of the part would have to be credited each year to the Recreational Snowmobile Trail Improvement Fund.

Altered or Missing Vehicle Number

Under the bill, the owner of a snowmobile whose vehicle number had been altered, removed, or defaced, including the owner of a snowmobile who intended to register it as an

assembled snowmobile, would have to apply to the Department, in a form it prescribed, for a special identifying number accompanied by an application for a certificate of registration and the required fees. The owner would have to furnish information satisfying the Department that he or she was the owner. Upon receiving the information, the Department would have to assign a special identifying number for the snowmobile, preceded by a symbol indicating this State. The special identifying number would have to be applied to the snowmobile as directed by the Department, and would have to be regarded as the identifying number of the snowmobile.

The Department would have to maintain a record of assigned special identifying numbers.

The owner of a snowmobile whose vehicle number was missing would have to apply to the Department, in a form it prescribed, for a replacement vehicle number accompanied by a \$10 fee. The owner would have to furnish information satisfying the Department that he or she was the owner of the snowmobile. Upon receiving the information, the Department would have to assign a replacement vehicle number. The number would have to be applied to the snowmobile as directed by the Department. The Department would have to note on the registration record for that snowmobile that a replacement vehicle number had been issued.

Snowmobile Dealer

Currently, "dealer" means any person engaged in the sale, lease, or rental of snowmobiles as a regular business. The bill would exclude a registered auctioneer from that definition.

MCL 324.82101 et al.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

There could be some administrative costs associated with the proposed provisions requiring security interest information to be printed on snowmobile registration certificates. However, the bill also would require that any penalties collected under the bill be used to defray any administrative costs associated with the registration provisions. If this revenue were not sufficient to cover the additional administrative costs, additional appropriations could be required. The potential administrative costs are anticipated to be minimal, and already-planned upgrades of the Department of State's computer systems should help defray the costs. The exact potential costs are indeterminate and depend on the number of new snowmobile registrations in the future.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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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.