Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 862 (as reported without amendment)
Senate Bill 863 (Substitute S-3 as reported)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

CONTENT

Senate Bill 862 would amend the Motor Carrier Fuel Tax Act to increase the road tax paid by a licensed motor carrier from 15 to 19 cents per gallon, and eliminate a differential tax rate of 12 cents per gallon for diesel fuel that contains at least 5% biodiesel.

Senate Bill 863 (S-3) would amend the Michigan Transportation Fund law to do the following:

-- Require revenue from 2 cents of the motor carrier fuel tax to be appropriated to the State Trunk Line Fund for the repair of State bridges, and the revenue from an additional 2 cents of the tax to be appropriated to the Local Bridge Fund.
-- Prohibit a highway authority from receiving revenue distributed to the Local Bridge Fund from an increase in the motor carrier fuel tax if the authority offered full-time fringe benefits to employees who work less than 35 hours a week.
-- Require the Michigan Department of Transportation to conduct a study on what impact weight limits for motor carriers could have on the roads of the State, and report its findings to the Legislature by July 1, 2010.

Senate Bill 863 (S-3) is tie-barred to Senate Bill 862.

MCL 207.212 (S.B. 862)
247.660 (S.B. 863)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would increase State revenue by approximately $5.3 million per year and earmark the majority of that increase for repairing bridges in Michigan. The bills would increase the tax rate applied to motor carriers taxed under the Motor Carrier Fuel Tax Act, which primarily applies to interstate trucking activity, but would not alter the rate (which would remain at 15 cents per gallon for diesel fuel) under the Motor Fuel Tax Act, which primarily applies to intrastate trucking activity.

The study and report required under Senate Bill 863 (S-3) would increase State expenditures by an unknown amount. Because the bill does not appropriate additional funds for these activities, any costs would need to be funded by other departmental reductions.

Date Completed: 1-5-10

Fiscal Analyst: David Zin