

EXTENSION OF SUNSETS ON VEHICLE REGULATION FEE AND TRANSPORTATION ADMINISTRATION COLLECTION FEES

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House Bill 4569

Sponsor: Rep. Pscholka

Committee: Appropriations

Complete to May 11, 2015

SUMMARY:

House Bill 4569 would amend the Michigan Vehicle Code of 1949 to maintain the regulatory fee levied on various trucks, tractors, and other specified vehicles utilized for commercial or organizational purposes by extending the expiration (a.k.a. "sunset") of the fee on September 30, 2015 for an additional four years, to September 30, 2019. The regulatory fee was established by 2009 PA 152 and was last extended by 2011 PA 159. The State Budget Office (SBO) assumed the extension of the fees in the creation of the FY 2015-16 Executive Budget Recommendation as did House Bill 4102 in the drafting of the FY 2015-16 appropriation act for the Department of State Police (MSP) and the Department of State (MDOS).

The bill also extends the sunset by four years on the following fees administered by the Department of State, which are deposited into the Transportation Administration Collection (TAC) Fund (amount of fee deposited into TAC Fund listed in parens):

- 15-day Temporary Registrations (\$10.00 per transaction)
- 30 & 60 Day Permits (\$10.00 per transaction)
- Expeditious Title Fees (\$5.00 per transaction)
- Fundraising Service Fees (\$10.00 per transaction)
- Graphic Plate Fees (\$5.00 per transaction)
- Personalized Plate Service Fess (\$8.00 1st month, \$2.00 for each add'l month)
- Registration Transaction Fee (\$5.75 per transaction)
- Registration Transfer Fee (\$8.00 per transaction)
- Replacement Plate Fee (\$5.00 per transaction)
- Title Service Fees (\$3.00 per transaction)

TAC Fund revenues are used under statute to defray Department of State administrative costs and were last extended in 2011.

FISCAL IMPACT:

The bill would maintain current revenue levels collected by the MSP, to the extent that the MSP would continue to collect the revenue generated by the regulatory fee established in 2003. Revenue generated by the fee is deposited into the Traffic Law

Enforcement and Safety Fund and primarily expended for the enforcement of traffic laws by at-post troopers. The MSP estimates that the total annualized revenue maintained by the extension of the fee sunset under the bill would be approximately **\$17.1 million**. This revenue is not an increase over FY 2014-15. Rather, the bill would maintain the FY 2014-15 level of revenue through FY 2018-19. The SBO and House Appropriation Subcommittee assumed the collection of this revenue in the drafting of the FY 2015-16 Executive Recommendation and the FY 2015-16 appropriation act for the MSP, respectively.

The bill would also allow the Department of State to continue to collect the fees summarized above. For FY 2014, revenue for these fees for MDOS totaled approximately **\$68.9 million**. If this restricted revenue were no longer available through the TAC Fund, the department would need to find a way to address the subsequent loss of revenue.

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