



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 575 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Tom Casperson
Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to delay the implementation of increases in the motorcycle endorsement fee and the motorcycle registration tax, which are currently scheduled to take effect on October 25, 2017. Specifically, the bill would do the following:

- Delay the increase in the fee for an original motorcycle endorsement on an operator's or chauffeur's license from \$13.50 to \$16, and the increase in the fee for renewal of a motorcycle endorsement from \$5 to \$7, until January 20, 2018.
- Delay the increase in the motorcycle registration tax from \$23 to \$25 until February 19, 2019.
- Delay the increase in motorcycle registration tax payments to the Motorcycle Safety Fund until February 19, 2019.

Also, beginning on January 20, 2018, and ending on December 31, 2019, the renewal motorcycle endorsement fees provided for above would be increased by \$2. The \$2 would have to be deposited in the Motorcycle Safety Fund.

MCL 257.312c & 257.801

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

According to the Department of State, the increased motorcycle endorsement fees will generate an estimated \$250,000 in additional revenue. The amount collected in FY 2015-16 totaled an estimated \$720,000. As required by Public Act 115 of 2017, beginning October 25, 2017, \$2.50 of each motorcycle endorsement fee and \$2 of each renewal endorsement fee will have to be deposited in the Motorcycle Safety and Education Awareness Fund created by Public Act 115 and distributed according to statute.

Additionally, \$3 of the \$23 motorcycle registration tax currently is deposited into the Motorcycle Safety Fund to fund the Motorcycle Safety Education Program. As required by Public Act 115 of 2017, the additional \$2 from the increase in the tax will be deposited into the Motorcycle Safety Fund, as well, also to be used for the Motorcycle Safety Education Program. In FY 2015-16, approximately 260,000 motorcycle registrations raised an estimated \$5,980,000, of which \$780,000 was deposited into the Motorcycle Safety Fund. The \$2 increase in the registration tax will raise an estimated additional \$520,000.

Date Completed: 11-30-17

Fiscal Analyst: Joe Carrasco