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## BILL ANALYSIS



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Senate Bill 575 (as introduced 9-19-17)  
Sponsor: Senator Tom Casperson  
Committee: Transportation

Date Completed: 10-4-17

### **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.**

The bill would take effect 90 days after its enactment.

#### Motorcycle Endorsement Fees

The Code requires every application for a motorcycle endorsement on an operator's or chauffeur's license for operation of motorcycles to include a fee in addition to any other original or renewal operator or chauffeur license fee. Public Act 115 of 2017, which takes effect on October 25, 2017, increases the fee for an original motorcycle endorsement from \$13.50 to \$16, and for a renewal of a motorcycle endorsement from \$5 to \$7. The bill would retain the current fees until January 19, 2018. Beginning January 20, 2018, the fee for an original motorcycle endorsement would be \$16, and the fee for a renewal of a motorcycle endorsement would be \$7.

(The Code allocates the money collected from the motorcycle endorsement fees to the General Fund. Out of the fees collected, the Secretary of State (SOS) must refund to each county or municipality, acting as an examining officer or examining bureau, \$3 for each applicant examined for a first endorsement to a three-year or four-year operator's or chauffeur's license, \$2.50 for each original endorsement to a two-year operator's or chauffeur's license, and \$1.50 for every other applicant examined whose application is not denied, for the purpose of carrying out the provisions of the Code. The Code requires \$10 of each original motorcycle endorsement and \$3 of each motorcycle endorsement renewal to be placed in the Motorcycle Safety Fund and used by the SOS for the Motorcycle Safety Education Program as provided in Section 811a. Under that section, the SOS is responsible for the establishment and administration of motorcycle safety courses and must promulgate rules regarding teacher qualifications, reimbursement procedures, the establishment of the course, and other requirements.)

## Motorcycle Registration Tax

On October 25, 2017, when Public Act 115 of 2017 takes effect, the motorcycle registration tax is scheduled to increase \$23 to \$25. The bill would retain the current amount of \$23 until February 18, 2019. Beginning February 19, 2019, the bill would increase the tax to \$25.

The Code requires \$3 of each motorcycle fee to be placed in the Motorcycle Safety Fund and used to support the Motorcycle Safety Education program as provided in Sections 312b and 811a. Public Act 115 of 2017 requires \$5 of each motorcycle registration fee to be placed in the Fund beginning October 25, 2017. The bill would retain the \$3 amount through February 18, 2019. Beginning February 19, 2019, the bill would increase the amount to \$5.

(Section 312b requires a person who is 18 years or older to pass a motorcycle safety course approved by the Department of State under Section 811a before he or she may be issued an original motorcycle endorsement on an operator's or chauffeur's license. The person must pass an examination, which includes a driving test.)

MCL 257.312c & 257.801

Legislative Analyst: Drew Krogulecki

## **FISCAL IMPACT**

The bill would delay the increase in revenue received by the Department of State from increased fees for original or renewal motorcycle endorsements. The bill would increase original motorcycle endorsement fees by \$2.50 to \$16, and increase renewal endorsement fees by \$2 to \$7, on January 20, 2018, rather than October 25, 2017. According to the Department, the increased endorsement fees will generate an estimated \$250,000 in additional revenue from motorcycle endorsements. 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, the bill would delay the increase in the registration tax, or fee, for motorcycles by \$2 to \$25, from October 25, 2017, to February 19, 2019. Currently, \$3 of the \$23 registration fee 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 fees 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 fee will raise an estimated additional \$520,000.

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.