



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4990 (Substitute H-2 as passed by the House)
Sponsor: Representative Tommy Brann
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 11-21-18

CONTENT

The bill would amend the Michigan Vehicle Code to add a vehicle owned and operated by a nonprofit food pantry or nonprofit food bank to the list of vehicles that pay a fee of \$10 per plate instead of the registration tax listed under the Code when registering the vehicle.

Under the Code, except as otherwise provided, upon registering a vehicle, the Secretary of State (SOS) must issue to the owner one registration plate. The plate must display the registration number assigned to the vehicle; the name of the State, which may be abbreviated; and when the plate expires, which may be shown by a tab or sticker furnished by the SOS. The SOS also must collect taxes at the time of registering the vehicle. The amount of taxes that must be paid varies and depends on the type of vehicle being registered and its weight.

A registration plate issued for certain vehicles, such as a vehicle owned by the Civil Air Patrol as organized under Federal law, a vehicle owned by a nonprofit organization used to transport equipment for providing dialysis treatment to children at camp, and an emergency support vehicle used exclusively for emergencies and owned and operated by a Federally recognized nonprofit charitable organization, must be issued upon proper application and a payment of \$10 per plate. This registration plate expires on December 31 in the fifth year following the date of issuance. The plate may be transferred to another vehicle upon proper application and payment of a \$10 transfer fee.

The bill would include a vehicle owned and operated by a nonprofit food pantry or nonprofit food bank in the list of vehicles that are subject to the above provisions.

The bill would take effect 90 days after its enactment.

MCL 257.224 & 257.801

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill could result in a decrease in vehicle registration revenue for the State. The amount of loss in revenue is indeterminate and would depend on the number of food banks and pantries with vehicles that qualified for the registration exemption under the bill.

Currently, a vehicle's registration tax is calculated based on the year of the vehicle and is collected annually. Registration taxes for vehicles with model years 1983 or older are

calculated using the vehicle's weight; taxes for vehicles with models years 1984 and newer are based on the manufacturer's suggested retail (or base) price. The bill would exempt vehicles owned by a nonprofit food bank or food pantry from paying the calculated registration tax based on the model year of the vehicle. Instead, those entities would pay a \$10 registration tax per qualifying vehicle. The number of vehicles qualifying for the proposed exemption is unknown.

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.