



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5766 (Substitute S-4 as reported)
Sponsor: Representative Triston Cole
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- Allow the operator of a vehicle used for snow or ice removal that was equipped with flashing, rotating, or oscillating amber lights to activate them when that vehicle was traveling between locations at which it was being used for snow or ice removal.
- Allow a person to operate or move a truck to which a snowplow blade that was wider than 96 inches but no more than 132 inches wide was mounted without obtaining a special permit for an excessively wide vehicle or load.
- Allow a vehicle engaged in authorized highway repair or maintenance to be equipped with flashing, rotating, or oscillating amber or green lights.
- Specify that a requirement for Secretary of State to issue the same registration plate to a passenger vehicle rented without a driver as the type issued to private passenger vehicles would not apply to special registration plate issued to a vehicle in a rental fleet.
- Beginning February 19, 2019, allow a registration issued to commercial vehicle, trailer, or semitrailer under the International Registration Plan to expire on the last day of a calendar month.
- Beginning on February 19, 2019, require the \$1 fee collected with an application for the placement or discharge of a lien on a motor vehicle to be credited to the Transportation Administration Collection Fund.

The bill also would repeal Enacting Section 1 of Public Act 280 of 2018. (Public Act 280 of 2018 requires a vehicle overtaking a bicycle on the right to pass at a distance of at least three feet or at a safe distance to the right of the bicycle at a safe speed. Enacting Section 1 specifies that Public Act 280 of 2018 will take effect on August 1, 2019.)

MCL 257.224 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill likely would have a positive fiscal impact on the State.

The bill would exempt passenger rental fleet vehicles from a requirement that each individual passenger vehicle be registered separately. This will not affect registration collections for those vehicles, according to testimony from the Secretary of State's (SOS's) office for a related bill, Senate Bill 1013.

The Code currently requires the SOS to collect a \$1 fee for every placement or discharge of a lien on a motor vehicle. The bill would require this fee to be credited to the Transportation Administration Collection (TAC) Fund, beginning February 19, 2019. In 2017, revenue for the

TAC Fund was approximately \$123.6 million and expenditures were approximately \$117.2 million. The TAC Fund supports the Department's administrative activities required under Sections 801 through 810 of the Michigan Vehicle Code. The revenue sources for this Fund include title and special plate service fees, temporary permit fees, transfer and expedited transaction fees.

According to the Department, the lien fee, although currently required under Section 808, is not being collected; however there are plans to collect it, beginning February 19, 2019. It is not known how many Michigan vehicles have a lien placed or discharged per year. Any time a vehicle is purchased with a loan, or paid off, the fee should be collected. New vehicle registrations for 2017 in Michigan were roughly 635,000. It is not known how many vehicles purchased with a loan were paid off in 2017. Statistics for used vehicle purchases are unavailable. Even if a large portion of new and used vehicle purchases were done with a loan, the expected revenue from the collection of the \$1 fee should be no more than a few million dollars.

The bill could have a minor impact on local units of government. The bill would exempt local permitting requirements for certain oversize snow plow blades mounted to trucks during the winter months. It is not known which local jurisdictions within the State charge a permit fee for these oversize snow plows. For those jurisdictions that do charge a fee, any fiscal impact is expected to be minimal because, pursuant to MCL 257.725, any fees a local jurisdiction charges for this equipment may not exceed the administrative costs incurred in issuing the permit.

Date Completed: 9-12-18

Fiscal Analyst: Michael Siracuse