

ASSESS MOTOR CARRIER ACT TOWING FEES

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Senate Bill 309 (S-1) as referred to second House committee

Sponsor: Sen. Dale W. Zorn

1st House Committee: Transportation

2nd House Committee: Ways and Means

Senate Committee: Transportation and Infrastructure

Complete to 12-2-19

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 309 would amend the Motor Carrier Act to require an annual fee of \$50 for each vehicle used for intrastate nonconsensual towing operations by a Unified Carrier Registration (UCR) motor carrier subject to the requirements of the federal Unified Carrier Registration Act.

The Motor Carrier Act currently establishes specific annual administrative fees. These fees include an annual fee of \$100 for each self-propelled intrastate motor vehicle operated by the motor carrier under the act. (The act prorates this fee to \$50 if the motor carrier begins operation of the vehicle after June 30.) The act also establishes an annual fee of \$50 for each truck or tractor used exclusively for transporting household goods.

The bill would add an additional class of vehicles subject to the \$50 annual fee: vehicles used for intrastate nonconsensual towing operations by a UCR motor carrier subject to the requirements of section 4305 of the federal Unified Carrier Registration Act.

The act does not currently define “nonconsensual towing operations,” and the bill does not propose a definition for the term. It is understood to refer to companies that tow abandoned and disabled vehicles at the request of police agencies and not necessarily at the request of the vehicle owner.

MCL 478.2 and 478.8

BACKGROUND:

The Motor Carrier Act was originally enacted to regulate companies operating as for-hire carriers in Michigan. For-hire carriers include motor carriers of general commodities (freight), towing companies, and household goods movers. Note that the Motor Carrier Act is a separate act from the Motor Carrier Safety Act (1963 PA 181) and the Motor Carrier Fuel Tax Act (1980 PA 119).

The Motor Carrier Act gave authority to administer the act to the Michigan Public Service Commission. Executive Order 2015-10 reorganized the commission and, among other things, transferred authority for administration of the Motor Carrier Act from the commission to the Michigan State Police.

The act establishes a program of insurance and safety regulation of intrastate for-hire motor carriers as well as rate and consumer protection regulation of intrastate motor carriers of household goods. Among other duties, the Michigan State Police, Commercial Vehicle Enforcement Division processes applications for new, renewal, or expanded operating authority and for registration of intrastate motor vehicles, as well as interstate carriers conducting intrastate operations in Michigan.

Apparently nonconsensual towing operations have been subject to the registration requirements of the Motor Carrier Act but have not been subject to the same administrative fees as other registrants under the act. The bill would make nonconsensual towing operations subject to a \$50 annual administrative fee.

FISCAL IMPACT:

The Michigan State Police, Commercial Vehicle Enforcement Division estimates that approximately 300 additional commercial vehicles would be subject to the \$50 administrative fee established under the bill. This would result in an increase in annual fee revenue of approximately \$15,000.

POSITIONS:

A representative of the Michigan Towing Association testified in support of the bill. (10-29-19)

The Michigan State Police indicated support for the bill. (10-29-19)

Legislative Analyst: E. Best
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.