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House Bill 5195 (Substitute S-1 as reported)
House Bill 5313 (Substitute S-1 as reported)
Sponsor: Representative Jason Sheppard
House Committee: Government Operations
Senate Committee: Transportation and Infrastructure

CONTENT

House Bill 5195 (S-1) would amend the Michigan Vehicle Code do the following:

- Require an applicant for the registration transfer of a vehicle to include with the application a \$10 transfer fee, instead of an \$8 transfer fee.
- Require the Secretary of State (SOS) to collect registration difference fees if the registration plate fee for a 12-month registration for the vehicle to which the registration was transferred were greater than the registration plate fee paid upon registration of the vehicle from which the registration was removed.
- Require the SOS to collect a transfer of registration fee of \$10 and a registration difference fee of \$5 if the registration plate fee for a 12-month registration for the vehicle to which the registration was transferred were less than the registration plate fee paid upon registration of the vehicle from which the registration was removed.

House Bill 5313 (S-1) would amend the Michigan Vehicle Code to do the following:

- Delete a reference in the Code to the transferring of a registration under Section 809, which House Bill 5195 (S-1) would amend.
- Delete the definition of "hybrid electric vehicle" and replace it with the definition of "plug-in hybrid electric vehicle".

The bills are tie-barred.

MCL 257.809 (H.B. 5195)
257.801 (H.B. 5313)

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on State and local government. The increased transfer fees would result in several million more dollars in revenue for the TACF, which goes to the Secretary of State for the registration collection services it provides. However, the bills also would reduce ad valorem registration fees credited to the Michigan Transportation Fund (MTF) when a registration is transferred from a lower-valued vehicle to a higher-valued vehicle. There would be a slight offset of this lost MTF revenue with the addition of the \$5 registration difference fee. According to the most recent Secretary of State report on registration fees collected, there were 1.2 million plate transfers in fiscal year (FY) 2018-19, generating roughly \$9.3 million in revenue. That same number of transfers at \$5 would generate \$6.0 million; however, the COVID-19 pandemic could reduce significantly the revenue from plate transfers, and overall registrations, for FY 2019-20.

Date Completed: 6-4-20

Fiscal Analyst: Michael Siracuse

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Bill Analysis @ www.senate.michigan.gov/sfa

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