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Senate Bill 220 (as enacted)
Sponsor: Senator Lana Theis
Senate Committee: Transportation and Infrastructure
House Committee: Transportation

PUBLIC ACT 110 of 2021

Date Completed: 11-29-21

RATIONALE

The Michigan Vehicle Code governs vehicle registrations and associated fees in the State. Among other registrations, the Code provides for special registrations, such as registrations for vehicles used exclusively in connection with certain farming operations. These registrations, as with other motor vehicle registrations, expire annually and must be renewed with the Secretary of State (SOS). While the SOS allows some motor vehicle registrations to be renewed online, a special registration previously could not be renewed online. Some people believed that the SOS should make the online renewal process available for special registrations. Accordingly, it was suggested that the Michigan Vehicle Code be amended to allow certain special registration applicants to renew their special registrations online.

CONTENT

The bill amended the Michigan Vehicle Code to require the SOS to provide a system for applicants of registrations for vehicles used exclusively in connection with a farming operation, a wood harvesting operation, milk hauling from the farm to the first point of delivery, or the gratuitous transportation of certain farm materials between on-farm locations to renew their special registration at no additional charge in a branch office, by first-class mail, and online.

The bill took effect on November 10, 2021.

The Code prescribes certain registration fees for vehicles according to their weights and intended uses, as well as fees for special registrations.

Under the Code, for a road tractor, modified agricultural vehicle, truck, or truck tractor owned by a farmer and used exclusively in connection with a farming operation, including a farmer hauling livestock of farm equipment for other farmers for remuneration in kind or in labor, but not for money, or used for the transportation of the farmer and the farmer's family, and not used for hire, the SOS must collect a registration fee of 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. The same rate per 100 pounds applies to a registration for a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations or a truck used exclusively to haul milk from the farm to the first point of delivery.

In addition, upon application to the SOS, an owner of a truck, truck tractor, or road tractor that is used exclusively for the purpose of gratuitously transporting farm crops or livestock bedding between the field where produced and the place of storage, feed from on-farm storage and on-farm feeding site, or fertilizer, seed, or spray material from the farm location to the field may obtain a special registration. The service fee for each special registration is \$20 and the special registration is valid for up to 12 months and expires on December 31.

Under the bill, beginning October 1, 2022, the SOS must provide a system for applicants of registrations described above to renew their special registration at no additional charge in a branch office, by first-class mail, and online.

MCL 257.802

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

According to testimony before the Senate Committee on Transportation and Infrastructure, Michigan farmers have faced significant delays and difficulties when trying to renew special vehicle registrations for farming operations because of the coronavirus disease 2019 (COVID-19) pandemic. The SOS adopted an appointment-only policy early in the pandemic and used that policy for well over a year. The policy required individuals either to schedule an appointment further in advance or seek a next-day appointment. Both appointment options filled up quickly, causing months-long delays for renewals.

Regardless of the contributing circumstances, registration renewal delays can create issues for farmers preparing for the agricultural season. Special registrations allow farmers to use vehicles for the transportation of farm crops, fertilizer, seed, and spray between on-farm locations, among other things. These activities are essential for a successful agricultural season. Allowing applicants to renew their special registrations in-person, by mail, and online will provide farmers with ready access to special registrations to help contribute to that success. The bill also will help farmers to avoid similar delays in the future.

Opposing Argument

Applicants for registration renewal in Michigan must show to the SOS the title of the vehicle to prove ownership and insurance policy documents to prove that the vehicle is insured. The SOS verifies with insurance providers that an insurance policy on a motor vehicle is valid after an applicant renews the registration, and if it is not, the SOS cancels the registration. The SOS has the capacity to verify an insurance policy electronically for certain registration renewals and can provide in-person, by mail, and online options for renewal for those motor vehicles. However, according to testimony before the Senate Committee on Transportation and Infrastructure, the SOS does not have the capacity to verify electronically an insurance policy for special registrations. Developing the information technology program to do so for special registrations will cost an estimated \$75,000, which is difficult to justify given the smaller number of special registrations issued annually, approximately 54,000.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill will have a negative fiscal impact on the Department of State for information technology programming costs associated with providing an online or first-class mail-in option for the renewal of special registrations outlined in the bill. The Department will have to reprogram its software to accommodate the changes and has estimated that cost at \$75,000.

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.