



Senate Fiscal Agency
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House Bill 5379 (Substitute H-1 as reported without amendment)
House Bill 5747 (as reported without amendment)
Sponsor: Representative Jenn Hill
House Committee: Transportation, Mobility and Infrastructure
Senate Committee: Transportation and Infrastructure

CONTENT

House Bill 5379 (H-1) would amend Public Act (PA) 124 of 1960, which establishes the Michigan Highway Reciprocity Board, to do the following:

- Modify the definition of "qualified fuel tax reciprocity agreement" to increase, from 30 air miles to not more than 50 air miles from the State's border, the range within which a qualified motor vehicle could operate.
- Modify the definition of "qualified commercial vehicle".

House Bill 5747 would amend the Motor Carrier Fuel Tax Act to modify the definition of "qualified commercial vehicle" to make the same changes proposed by House Bill 5379 (H-1).

The bills are tie-barred.

MCL 3.163 (H.B. 5379)
207.211 (H.B. 5747)

BRIEF RATIONALE

Reportedly, the International Fuel Tax Act (IFTA) was created to streamline reporting requirements; however, many truckers and trucking companies find these requirements burdensome. Accordingly, PA 25 of 2022 allowed the State to enter into qualified fuel tax reciprocity agreements with other states, replacing IFTA requirements for participants. In 2022, Michigan entered a qualified fuel tax agreement with Wisconsin; however, a current provision concerning the range within which a qualified motor vehicle may operate has led to the exclusion of a lumber mill in Escanaba. It has been suggested that the range be extended to include the mill.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

House Bill 5379 (H-1)

The bill would not have a significant fiscal impact on the Department of Treasury. While the bill would permit the Department to negotiate agreements pertaining to the transportation of raw forest products to a sawmill or factory up to 50 air miles within Michigan's borders, rather than less than 30 air miles as in current law, it would not require the Department to undertake any negotiations. It is possible that a significant increase in agreements would result in an increased need for staff or resources within the Department, but it is more likely that current

staff and appropriation levels would be adequate to manage these negotiations and conduct administrative activities related to any tax changes.

House Bill 5747

The bill would have no fiscal impact on State or local government.

Date Completed: 10-18-24

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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.