Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bills 1464 and 1465 (as reported without amendment)   *(as enrolled)*
Sponsor: Senator Michael Switalski
Committee: Appropriations

CONTENT

The bills would amend the Michigan Vehicle Code to delay the sunset date on provisions that require revenue from vehicle registration transfers ($8 per transaction) and expedited title services ($5 per transaction) to be deposited into the Transportation Administration Collection Fund (TACF).

Under the Code, all $8 registration transfer fees and $5 expeditious title fees collected from October 1, 2004, through September 30, 2008, must be deposited into the TACF. The bills would require the registration transfer fees (under Senate Bill 1464) and the expeditious title fees (under Senate Bill 1465) to be deposited into the TACF until September 30, 2009.

MCL 257.809 (S.B. 1464)
     257.806 (S.B. 1465)

FISCAL IMPACT

Before October 1, 2004, the revenue from the registration transfer fee ($8 per transaction) and the expedited title fee ($5 per transaction) was deposited into the Michigan Transportation Fund. Under Public Acts 141 and 179 of 2005, the revenue from both fees was shifted to the TACF until October 1, 2006. Public Acts 70 and 71 of 2007 extended this allocation until October 1, 2008. Based on transaction data supplied by the Department of State for FY 2006-07, the registration transfer fee generates about $8.9 million annually while the expedited title fee generates an estimated $1.1 million annually.

Under the bills, the revenue from these two fees, which generate an estimated $10.0 million annually, would continue to be deposited into the Transportation Administration Collection Fund until September 30, 2009.

The FY 2008-09 appropriation for the Department of State assumes the continuation of the funding shift to the TACF contemplated in the bills. The TACF revenue from the two fees for FY 2008-09 is estimated at $10.0 million.

Date Completed: 9-11-08   Fiscal Analyst: Joe Carrasco