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BILL ANALYSIS

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House Bill 4514 (Substitute-2 as reported)**Sponsor:** Representative Burton Leland**House Committee:** Transportation**Senate Committee:** State Affairs, Tourism, and Transportation**Date Completed:** 9-28-87***RATIONALE***

It has been proposed by Senate Bill 152 that commercial vehicle registration fees be raised beginning on January 1, 1988, in order to obtain increased fee revenue for the registration year of 1988. Current law, however, allows an applicant to obtain a registration for the 1988 year from October 1, 1987, to the last day of February 1988, the day of expiration of the previous year's registration. Many applicants, therefore, could avoid the increase by buying their 1988 registrations prior to the January rate hike. Consequently, it has been proposed that, for the commercial vehicle registration year of 1988 only, the period in which registrations may be obtained should be limited to between after December 31, 1987, and the last day of February, 1988.

CONTENT

The bill would amend the Michigan Vehicle Code to provide that, for the year 1988, a commercial vehicle registration would have to be purchased after December 31, 1987, instead of after October 1, 1987, through the last day of February 1988. For all other years, a registration could still be issued after October 1 of the year preceding the year the registration was to expire, through February of the year of expiration. The bill would take effect October 1, 1987.

Proposed MCL: 750.73a

FISCAL IMPACT

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

ARGUMENTS***Supporting Argument***

Senate bill 152 proposes fee increases for commercial vehicle registrations beginning January 1, 1988. Since current law allows applicants to apply for 1988 registrations as early as October 1, 1987, this situation would cause a significant reduction in additional revenue that would result from the proposed bill, as many applicants would opt to purchase 1988 registrations prior to the January 1, 1988, fee increase date. To realize the anticipated revenue from the proposed fee increase for the year, this one-year-only limited registration period should be adopted.

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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.

H.B. 4514 (9-28-87)