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BILL ANALYSIS

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House Bill 5676 (Substitute S-1 as reported)**Sponsor: Representative James Docherty****House Committee: Transportation****Senate Committee: State Affairs, Tourism, and Transportation****Date Completed: 12-6-88*****RATIONALE***

Public Act 347 of 1988 amended the Motor Carrier Act to increase the annual fees for motor carrier vehicles licensed in Michigan that are used entirely in interstate commerce, allow the Michigan Public Service Commission (PSC) to enter into reciprocal agreements with other states or Canadian provinces relating to motor carrier regulatory fees or taxes, and prohibit motor carriers from engaging in the interstate transportation of property for compensation without first registering with the PSC. Reportedly, the fee increases are to help fund truck driver education, truck safety research, and inspection and enforcement programs, and the registration and reciprocal agreement provisions will help ensure that Michigan motor carriers are treated fairly by other states. The provisions of Public Act 347 of 1988 are to take effect January 1, 1989, which at first was believed to be a reasonable deadline. Apparently, however, some are claiming that the logistics of notifying the motor carrier industry of the fee increases and new registration requirements warrant a delay in the effective date.

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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.

CONTENT

The bill would amend the Motor Carrier Act to specify that the increase in the annual fee for licensed motor carrier vehicles and the registration procedures added to the Motor Carrier Act by Public Act 347 of 1988 would take effect January 1, 1990, instead of January 1, 1989.

MCL 478.2

FISCAL IMPACT

Delaying the effective date of the increase in annual fees from January 1 of 1989 to January 1 of 1990 would mean that the estimated \$200,000-\$600,000 increase in revenue would not be generated in FY 1988-89 but instead would begin to be generated in FY 1989-90.

SENATE COMMITTEE ACTION

The Senate Committee adopted a substitute that would delay by one year the effective date of the fee increases and registration requirements of Public Act 347 of 1988. The House-passed version of the bill would require a motor carrier to have each licensed motor vehicle that it proposed to put into service inspected by the Department of State Police or a certified truck mechanic, and allow motor carriers to contract with owner/operators under certain conditions for the transportation of goods.

ARGUMENTS***Supporting Argument***

Delaying the effective date of the fee increases and registration requirements of Public Act 347 of 1988 would help ensure that all interested parties were sufficiently notified of the changes.

H.B. 5676 (12-6-88)