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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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HB4193 AS INTRODUCED

Sponsor
Committee

Rep. Stephen Ehardt
TRANSPORTATION

Analyst(s) Stauff, Steve

Completed 3/13/01

State Fiscal Impact

Cost	None
Revenues	Decrease

Local Fiscal Impact

Cost	None
Revenues	Decrease

House Bill 4193 would amend the Michigan Vehicle Code to exempt veterans who have been awarded the Purple Heart medal from paying the tax, the ad valorem, for one special registration plate for motor vehicles whose registrations are taxed by the state. In determining the exact fiscal impact one would have to know the number of plates that would be applied for and the ad valorem fees for each applicant. The Department of Military and Veterans Affairs, Veterans Affairs Directorate estimates that there are approximately 22,000 recipients of the Purple Heart medal residing in Michigan. If each of the veterans successfully applied for the Purple Heart plate, there could be a potential loss of revenue to the Michigan Transportation Fund of \$1.43 million annually, given a potential revenue loss of \$65.00 per applicant. The \$65.00 is arrived at by reducing the FY 1999 average ad valorem of \$70.00 by the bill mandated \$5.00 service fee. The \$70.00 average is based on all FY 1999 passenger vehicles ad valorem in Michigan. The ad valorem can typically range from \$30.00 to \$200.00 depending on the value of the vehicle.

There are currently 3,012 Purple Heart medal plates on file with the Department of State. Given a \$65.00 net revenue loss per plate, this bill could have a direct impact on existing plate renewals of \$195,800 ($\$65.00 \times 3,012$) annually.

The Michigan Transportation Fund revenue is split approximately 40% state, 60% to local units of government. The loss of \$1.43 gross annual revenue to each by enactment of this bill may be \$572,000 and \$858,000 respectively. Again, determining factors are the number of Purple Heart medal recipients residing in Michigan, the number of recipients that would be interested in the plates, and the value of the vehicle that the plate would be assigned to.