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House Bill 4439 (Substitute H-1 as passed by the House)  
Sponsor: Representative Roger Victory  
House Committee: Appropriations  
Senate Committee: Appropriations

Date Completed: 5-4-15

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to extend to October 1, 2019, the requirement that certain certificate of title fees be deposited into the Transportation Administration Collection Fund (TACF). The bill also would delay the sunset on the collection of scrap tire disposal fees, which are deposited in the Scrap Tire Regulatory Fund, until December 31, 2019. The collection of these fees is currently set to expire on October 1, 2015.**

Currently, individuals submitting an application for a certificate of title or duplicate title are charged the following fees:

- Application fee - \$10
- Expedited title fee - \$5 (TACF)
- Service fee - \$3 (TACF)
- If special identifying number requested - \$10

The \$5 fee collected for expedited titles along with the \$3 service fee are deposited into the TACF. The bill would extend the required deposit of these fees into the TACF until October 1, 2019.

Additionally, the Code requires the collection of a tire disposal surcharge of \$1.50 for each requested certificate or duplicate title, salvage vehicle certificate of title, or a scrap certificate of title. This tire disposal fee is deposited into the Scrap Tire Regulatory Fund created in Section 16908 of the Natural Resources and Environmental Protection Act. The fee is currently scheduled to sunset on December 31, 2015. The bill would delay that sunset until December 31, 2019.

MCL 257.806

### **FISCAL IMPACT**

The current sunset date of October 1, 2015, for the deposit of the \$5 expedited title fee and the \$3 service fee for certificates of title into the TACF will have a negative fiscal impact on the Department of State's annual operating revenue, if the sunset occurs. The collection of these fees for the TACF totaled \$10.6 million in FY 2013-14, according to the Department of State. If the sunset date is not delayed, the Department will lose approximately \$10.6 million in revenue beginning in the 2015-16 fiscal year.

The bill also would delay the December 31, 2015, sunset on the tire disposal surcharge paid with the application for a vehicle title until December 31, 2019. A tire disposal surcharge of \$1.50 is charged whenever a person applies for a vehicle title, and that revenue, which totals approximately \$4.2 million per year, is credited to the Scrap Tire Regulatory Fund. The Scrap Tire Regulatory Fund is used by the Department of Environmental Quality to cover its costs related to administering laws and regulations dealing with scrap tires, as well as for grants for the cleanup or removal of scrap tires from private or public land.

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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.