



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 575 (as reported without amendment)
Sponsor: Senator Tom Casperson
Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to delay the implementation of increases in the motorcycle endorsement fee and the motorcycle registration tax, which are currently scheduled to take effect on October 25, 2017. Specifically, the bill would do the following:

- Delay the increase in the fee for an original motorcycle endorsement on an operator's or chauffeur's license from \$13.50 to \$16, and the increase in the fee for renewal of a motorcycle endorsement from \$5 to \$7, until January 20, 2018.
- Delay the increase in the motorcycle registration tax from \$23 to \$25 until February 19, 2019.
- Delay the increase in motorcycle registration tax payments to the Motorcycle Safety Fund until February 19, 2019.

MCL 257.312c & 257.801

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would delay the increase in revenue received by the Department of State from increased fees for original or renewal motorcycle endorsements. The bill would increase original motorcycle endorsement fees by \$2.50 to \$16, and increase renewal endorsement fees by \$2 to \$7, on January 20, 2018, rather than October 25, 2017. According to the Department, the increased endorsement fees will generate an estimated \$250,000 in additional revenue from motorcycle endorsements. The amount collected in FY 2015-16 totaled an estimated \$720,000. As required by Public Act 115 of 2017, beginning October 25, 2017, \$2.50 of each motorcycle endorsement fee and \$2 of each renewal endorsement fee will have to be deposited in the Motorcycle Safety and Education Awareness Fund created by Public Act 115 and distributed according to statute.

Additionally, the bill would delay the increase in the registration tax, or fee, for motorcycles by \$2 to \$25, from October 25, 2017, to February 19, 2019. Currently, \$3 of the \$23 registration fee is deposited into the Motorcycle Safety Fund to fund the Motorcycle Safety Education Program. As required by Public Act 115 of 2017, the additional \$2 from the increase in fees will be deposited into the Motorcycle Safety Fund, as well, also to be used for the Motorcycle Safety Education Program. In FY 2015-16, approximately 260,000 motorcycle registrations raised an estimated \$5,980,000, of which \$780,000 was deposited into the Motorcycle Safety Fund. The \$2 increase in the registration fee will raise an estimated additional \$520,000.

Date Completed: 10-20-17

Fiscal Analyst: Joe Carrasco