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BILL ANALYSIS



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House Bill 4890 (as reported without amendment)
Sponsor: Representative Terry J. Sabo
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would amend the Michigan Vehicle Code to extend, until October 1, 2023, the deposit into the Transportation Administration Collection Fund (TACF) of commercial look-up fees for driver records, amateur radio operator registration plate service fees, bulk motor vehicle records, and specialty and fund raising license plates. The bill also would amend the Michigan Vehicle Code to maintain the existing regulatory fees levied on various trucks, tractors, and other specified vehicles used for commercial or organizational purposes, by extending their sunset from October 1, 2019, to October 1, 2023.

The Michigan Vehicle Code provides for the collection of commercial look-up fees on driver records (\$11 per transaction plus \$1 per transaction if requested at a branch office), service fees charged for registration plates for amateur radio operators (\$2 per transaction), and fees for bulk motor vehicle records (\$16 per 1,000 partial records). All these fees must be credited to the TACF. The commercial look-up on driver records provides the driving record for individual drivers. Amateur radio operators may apply for a registration plate inscribed with the official amateur radio call letters of the applicant assigned by the Federal Communications Commission. Bulk motor vehicle records are those driver records purchased in bulk. The Department of State may contract for the sale of lists of driver and motor vehicle records in bulk and charge a market-based price for these records.

The bill also would extend from October 1, 2019, to October 1, 2023, the sunset on fees administered by the Department of State that are deposited into the TACF, including fees for five-day temporary registrations (\$10), 30- and 60-day permits (\$10), expedited title fees (\$5), fund-raising service fees (\$10), graphic plate fees (\$5), personalized plate service fees (\$8 first month, \$2 for each additional month), registration transaction fees (\$5.75), registration transfer fees (\$8), replacement plate fees (\$5), and title service fees (\$3).

The requirement that these fees be credited to the TACF is currently set to expire on October 1, 2019. The bill would delay the sunset until October 1, 2023.

MCL 257.208b et al

FISCAL IMPACT

The bill would have a positive fiscal impact on the fiscal year (FY) 2019-20 budgets for the Michigan Department of State Police (MSP) and the Department of State. Built into the budget as recommended by the Governor is \$17.5 million in continuing revenue from the fees addressed in the bill for the MSP (placed into the Traffic Law Enforcement Safety Fund) for the purpose of employing State troopers.

The current sunset date of October 1, 2019, for the deposit of the fees in the TACF will have a negative fiscal impact on the Department of State's annual operating revenue, if it occurs. The collection of these fees totaled \$132.7 million in FY 2017-18, according to the Department of State. If the sunset date is not delayed, the Department will lose approximately \$132.7 million in revenue beginning in FY 2019-20.

Date Completed: 9-18-19

Fiscal Analyst: Joe Carrasco

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Bill Analysis @ www.senate.michigan.gov/sfa

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