



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4634 (Substitute H-2 as passed by the House)
Sponsor: Representative Ben Glardon
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 4-27-16

CONTENT

The bill would amend the Michigan Vehicle Code to require the Secretary of State to waive the late fee for a registrant who did not pay his or her vehicle registration tax by the time the registration plate expired if the registrant presented proof of storage insurance on the vehicle and other conditions were met.

The Code prescribes vehicle registration taxes for different weights and classifications of vehicles. If a required registration tax is not received by the Secretary of State on or before the expiration date of the registration plate, the Secretary of State must collect a late fee of \$10 for each registration renewed after the expiration date. The late fee collected must be deposited into the General Fund.

The bill would require the Secretary of State to waive the late fee if both of the following were satisfied:

- The registrant presented proof of storage insurance for the vehicle for which the late fee was assessed that was valid for the period of time between the expiration date of the most recent registration and the date of application for the renewal.
- The registrant requested in person at a Department of State branch office that the late fee be waived at the time of application for the renewal.

The bill would take effect 90 days after its enactment.

MCL 257.801

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. Revenue generated from the assessment of the \$10 late fee goes into the State's General Fund. According to the Department of State, there are approximately 1.0 million late registrations annually, generating an estimated \$10.0 million in revenue to the General Fund. Under the bill, the waiver of certain late registration fees would result in a loss of revenue to the General Fund. The amount of lost revenue is indeterminate and dependent on the number of late registration fees that ultimately would be waived under the bill's provisions.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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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.