
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4202 (as passed by the House)
Sponsor: Representative Paul Baade
House Committee: Senior Citizens and Veterans Affairs
Senate Committee: Transportation and Tourism

Date Completed: 4-23-97

CONTENT

The bill would amend the Michigan Vehicle Code to permit a person who had been a member of any branch of the United States armed services, who had retired or had been granted an honorable discharge from that branch of the armed forces, and who was not otherwise eligible for a special registration plate under the Code, to apply to the Secretary of State for a special registration plate. The registration plate would have to display an appropriate vignette preceding the registration numbers.

A person described above could apply for a special registration plate on a form prescribed by the Secretary of State. The application would have to be accompanied by any proof of the applicant being or having been a member of any branch of the armed services, and a \$5 service fee. A person issued a special plate under the bill would have to be assessed the applicable tax provided in the Code.

Currently, a person who has been a prisoner of war may apply to the Secretary of State for a special registration plate and is exempt from paying vehicle registration taxes, as specified in the Code. Persons who have received a Purple Heart medal also may apply to the Secretary of State for a special registration plate. The bill would exempt these Purple Heart recipients from registration taxes, as well.

MCL 257.803e & 257.803i

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would result in additional costs regarding issuance of special registration plates, and also would result in a revenue loss to the Michigan Transportation Fund by exempting veterans wounded in combat from the vehicle registration tax. The average revenue generated per passenger vehicle from registration taxes is approximately \$58. As of October 1, 1996, there were 2,844 plates issued to Purple Heart recipients under Section 803(4). Using this as a minimum, the annual loss to the Michigan Transportation Fund would be \$164,952. The total number of combat-wounded veterans who do not register their vehicles under this section is not known. Therefore, the total revenue loss could be substantially higher.

Fiscal Analyst: B. Bowerman

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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.