

# Fiscal Analysis

## MICHIGAN VEHICLE CODE – FEE REVENUE AND DISTRIBUTION



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**Bill/Sponsor**    **SENATE BILL 554 (as enrolled)**, Sen. Shirley Johnson  
**SENATE BILL 539 (as enrolled)** Sen. Judson Gilbert

**House**                    Transportation  
**Committee**

**Analysis**            **SB 554 (as enrolled)** would amend the Michigan Vehicle Code (PA 300 of 1949) to increase, and/or redistribute a number of fees currently provided under the Code - driver license fees, vehicle title and registration service fees<sup>1</sup>, and automobile dealer license fees. The total ongoing revenue increase from these various fee increases is estimated by the Department of State to be \$65.3 million for FY 2003-04.<sup>2</sup> In addition, the Department of State estimates that changes in trailer registration taxes made in Section 801(1)(l) of the bill would result in a one-time revenue increase of \$108.0 million in FY 2003-04.

The bill also creates three new state-restricted funds, as described below.

*Transportation Administration Collection Fund* - The bill would direct an estimated \$16.7 million of the increased fee revenue to a new Transportation Administration Collection Fund (TACF) created in Section 810b. In addition, the bill would redirect to the new TACF an estimated \$51.4 million in various fees currently earmarked for the Michigan Transportation Fund (MTF). Thus, total new or existing fee revenue earmarked for the TACF in the enrolled bill would be \$68.1 million.

Section 810b directs the Department of State to expend money from the TACF, upon appropriation, to pay the necessary costs of administration and enforcement of sections 801 to 810 of the Michigan Vehicle Code. The bill also directs the Department of Treasury to expend money from the TACF, upon appropriation, to defray the costs of collecting motor fuel taxes. This language would suggest that the TACF would replace the MTF interdepartmental grants (IDGs) which have been appropriated to the departments of State and Treasury. However, based on revenue estimates, there would not be sufficient revenue in the TACF to replace the MTF IDGs currently appropriated for both departments. See additional discussion under SB 539 below, (*Relationship to appropriations bills*).

The bill directs that money in the TACF at the close of the fiscal year lapse to the MTF.

*Traffic Law Enforcement and Safety Fund* - The enrolled bill would direct \$19.5 million in new fee revenue to a new Traffic Law Enforcement and Safety Fund (TLESF) created in Section 819a. This \$19.5 million would come from an earmark of a \$2.25 fee in Section 801(3), designated in the bill as a *regulatory fee*.

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<sup>1</sup> With the exception of trailer registration taxes under 257.801(1)(l), the bill would increase Department of State *service fees* only, and would otherwise not affect vehicle title fees, or registration weight or ad valorem taxes provided in the Michigan Vehicle Code.

<sup>2</sup> The department could not determine the fiscal impact of certain sections of the bill. Potential revenue increases effected in those sections would bring the total estimated revenue increase to something greater than \$65.3 million.

The bill requires that, beginning October 1, 2004, \$1.8 million be annually transferred from the TLESF to the *Trooper Recruit School Fund* (described below). The bill directs that, except for transfer to the Trooper Recruit School Fund provided in subsection 4, the Michigan State Police shall expend money from the TLESF, upon appropriation, “only for 1 or more of the following purposes: (a) To enhance enforcement of traffic laws. (b) To enhance the ability to provide safety on the streets and highways of this state.”

The bill directs that money in the TLESF at the close of the fiscal year shall remain in the TLESF and not lapse to the General Fund.

*Trooper Recruit School Fund* - Section 819b of the bill creates a new Trooper Recruit School Fund. The bill directs that the Michigan State Police shall expend money from the fund “only for 1 or more of the following purposes: (a) Conduct a trooper recruit school to recruit and train new troopers. (b) Conduct retraining schools for new troopers during the trooper probationary period.”

The bill provides that up to \$5.0 million in the Trooper Recruit School Fund at the close of the fiscal year shall remain in the fund and not lapse to the General Fund. Amounts in excess of \$5.0 million would lapse to the TLESF.

Appendix A provides additional discussion of selected sections of SB 554. Appendices B and C show the detail of various fee changes effected in SB 554. See Table 1, below, for a summary of the bill’s fiscal impacts.

Table 1 Summary of Fiscal Impacts - SB 554, as enrolled Revenue estimates developed by the Department of State based on FY 2001-02 transaction data.			
Fund	Fund Shift	New Revenue	Total
General Fund (GF/GP)		\$25,000,000	N/A <sup>1</sup>
Michigan Transportation Fund	(\$51,400,000)	4,100,000	N/A <sup>1</sup>
Transportation Administration & Collection Fund <sup>2</sup>	51,400,000	16,700,000	\$68,100,000
Traffic Law Enforcement and Safety Fund <sup>3</sup>		19,500,000	\$19,500,000
Total – ongoing revenue changes	\$0	\$65,300,000	N/A <sup>1</sup>
Michigan Transportation Fund (One-time trailer fee revenue <sup>4</sup> )		\$108,000,000	\$108,000,000
Notes:			
<sup>1</sup> N/A = we did not compute revenue total for MTF or GF/GP for this table.			
<sup>2</sup> TACF revenue would replace, in part, the MTF grant to the Department of State in Transportation appropriations bill, SB 265.			
<sup>3</sup> Funding for the TLESF would come from a \$2.25 regulatory fee in Section 801(3) and would be appropriated in the Michigan State Police budget.			
<sup>4</sup> The Department of State's revenue estimate includes recognition of one-time revenue from increases in trailer fees in Section 801(1)(l).			

**Senate Bill 539 (as enrolled)** – SB 539 would amend Section 10 of Public Act 51 of 1951 to provide for appropriation of MTF and TACF funds to the Department of State for administration and enforcement of the Michigan Vehicle Code. The bill would limit MTF appropriations for the Department of State to \$20.0 million per state fiscal year.

The specific language is as follows: “*Appropriations for the necessary expenses incurred by the Department of State in administration and enforcement of the sections 801 to 810 of the Michigan Vehicle Code, shall be made from the Michigan Transportation Fund and the Transportation Administration Collection Fund created in Section 810b of the Michigan Vehicle Code [SB 554]. Appropriations from the Michigan Transportation Fund for the necessary expenses incurred by the Department of State in administration and enforcement of sections 801 to 810 the Michigan Vehicle Code shall not exceed \$20,000,000.00 per state fiscal year.*”

SB 539 would also strike current language which called for the “*phase-out*” of MTF appropriations for administrative costs of all but certain named state agencies. This language appeared to have excluded the Department of Treasury as an eligible recipient of MTF grants. Striking this language would allow the MTF to reimburse the Department of Treasury for its costs of collecting MTF motor fuel tax revenue.

SB 539 also changes the current Act 51 distribution of MTF funds for one year only. For the fiscal year beginning October 1, 2004 only the apportionment of MTF funds to the Comprehensive Transportation Fund would be reduced by \$10.0 million and the \$10.0 million transferred to the STF for capacity improvements to state trunkline highways.

#### **SB 554 and SB 539 - Relationship to appropriations bills**

*Transportation:* The FY 2003-04 state transportation budget bill (SB 265, as enrolled) includes a \$20.0 million MTF interdepartmental grant (IDG) to the Department of State, and a \$6.7 million MTF IDG to the Department of Treasury.

*General Government:* The FY 2003-04 General Government budget (SB 270, as enrolled) includes a \$74.8 million appropriation from the TACF, and a \$20.0 million MTF IDG, to support various Department of State activities. The total appropriation from these two fund sources, \$94.8 million, is \$1.7 million less than the FY 2002-03 MTF IDG to the Department of State. Note that the \$74.8 million appropriated from the TACF is \$6.7 million more than estimated revenue dedicated to the TACF in SB 554.

SB 270 as enrolled also includes a \$6.7 million MTF IDG to the Department of Treasury, \$3.5 million less than the FY 2002-03 appropriation.

*State Police:* The FY 2003-04 Michigan State Police budget bill (SB 277, as enrolled) includes a \$20.0 million appropriation from the TLESF for Uniform Services.

## **Appendix A**

### **Detailed Analysis of Specific Provisions of SB 554**

**Section 217(9)(a)** - Current law provides for a \$25 donation to the Vietnam veterans memorial monument fund (VVMMF) for original plates, and a \$10 service fee. Current law does not provide for an additional donation upon renewal, only an additional \$10 service fee. Under current law the service fees, less manufacturing and administrative costs, are also transferred for credit to the VVMMF. SB 554 would direct the original \$10 service fee to the TACF, and change the \$10 renewal fee to a donation to the VVMMF. The bill would not change the amount or distribution of the original \$25 donation.

**Section 226(6)** – SB 554, as enrolled, would eliminate pro-rated renewal registration taxes. Under provisions of the enrolled bill, the tax for 6 to 12 month registration renewal would be the same as for 12 months, and the renewal registration for more than 12 months would be twice the tax for 12 months. Although it is apparent that this change will result in an increase to MTF revenue, the Department of State indicates that it can not readily determine the amount of the increase.

**Sections 226b and 802(5)** – Current law (Section 226b) provides for a 14-day temporary registration. The only cost for these temporary registrations is provided under Section 802(5) - a \$10 “fee” for each registration “to defray the expenses of the temporary registrations”. Under current law, this \$10 fee is credited to the MTF.

SB 554, as enrolled, would replace the 14-day temporary registration with 30-day and 60-day registrations. The “fee” for the 30-day registration would be 1/10 the “fee” (from Section 801) or \$20, whichever is greater. The 60-day registration “fee” would be 1/5 of the “fee”(from Section 801) or \$40, whichever is greater. In addition to the imposition of these new “fees”, the bill would also impose a \$10 “service fee”.

We note that Section 801 refers to the various imposts made under that section as “taxes”, rather than “fees”. It would appear that the additional registration fees (taxes) imposed for the 30-day and 60-day registrations would be credited to the MTF, and the \$10 service fee would be credited to the TACF. We also note that, to the extent that Section 226 establishes that registrations expire on the owner’s birthday, some registrants may also be liable for a \$10 late fee established in the bill under Section 801(4).

The Department of State indicates that it can not readily determine the revenue impact of the SB 554 amendments to this section. The fiscal impact will depend on the number of new 30-day and 60-day registrations issued. In addition, some owners who hold temporary registrations under current law may elect to obtain full-year registrations under Section 801. Using different assumptions regarding the number and type of temporary registrations under provision of the bill, the department estimated a range of revenue increases from \$2.8 million to \$4.7 million. For purposes of this analysis we have assumed an increase in MTF revenue of \$3.6 million for FY 2003-04.

Note: The bill does not change subsections (9) and (10) of Section 226 which provide for 14-day “in-transit” plates. The \$10 fee (under Section 802(3) for these plates would remain unchanged, although the distribution would apparently change from the MTF to the TACF (under Section 802(12)). In addition, the bill does not change the fee (\$10), or distribution (to the MTF) of special manufacturer’s plates under sections 244 and 803.

**Sections 312e and 312h** – The enrolled bill increases driver’s license “vehicle group designation” fees from \$20 to \$25. The Department of State estimates that this fee increase would increase GF/GP revenue by \$451,000 million, based on FY 2001-02 transaction data.

The bill also increases the “corrected license fee” in 312h from \$6 to \$18. The Department of State indicates that it is unable to estimate the impact of this change.

**Trailer fees** – Section 801(1)(b) of the Michigan Vehicle Code currently provides a registration tax for trailer coaches<sup>1</sup> at 76 cents per 100 lbs of empty weight. The current registration tax for pole trailers, semitrailers, and trailers in Section 801(1)(l), provides three tax levels based on empty vehicle weight. SB554 makes several changes with regard to trailer registration taxes. First, it makes the registration taxes on trailer coaches the same as other trailers, under the authority of Section 801(1)(l). The bill also changes the three empty weight classes subject to tax in the schedule of empty weights, and increases the related trailer registration fees (taxes). Finally, the bill indicates that registration plates issued under Section 801(1)(l) would expire only when the Secretary of State reissued new registration plates for all trailers, or when the plate is transferred (through sale to another owner).

The Department of State indicates that in FY 2001-02 trailer registration transactions generated \$30.2 million in MTF revenue. The department estimates that the changes effected in SB 554 would result in a one-time increase in MTF revenue in FY 2003-04 of \$108.0 million. The department estimates that MTF revenue from trailer registrations would fall in subsequent years to something approximately half of the \$30.2 million collected in FY 2001-02, because there would be no renewal registrations – only new and transfer registrations.

We also note that the reference to “the fee” in this sentence, as well as the word “Fee” in the section’s schedule of empty weights, is inconsistent with the balance of the section which refers to registration taxes.

See Appendix C for a schedule of trailer fees under current law and under SB 554, as well as a summary of the fiscal impact of the SB 544 changes.

**Section 723** – This section requires that logos or emblems must be attached to certain trucks and trailers, excluding trucks eligible for farm plates. SB 554 would also exclude trucks eligible for manufacturer plates from this requirement. This section has no apparent fiscal impact.

**Late Registration Fees** – Under Section 226(1), the expiration date for most vehicle registrations is the owner’s birthday. Although driving without a valid registration is illegal under Section 255, there is currently no penalty for registering late<sup>2</sup>. SB 554 would establish in Section 801(4) a new \$10 late fee for registrations renewed after the expiration date. For mail-in registrations, the late fee would not be assessed if postmarked before the expiration date. Assuming that 11% of registrations would be late, the department estimated that the \$10 late fee would generate \$9.1 million. The bill dedicates this new revenue to the General Fund.

***Driver's License Fees and the TEDF***

In its FY 2003-04 budget recommendations, the Executive had proposed redirecting \$12.7 million currently credited to the Transportation Economic Development Fund (TEDF) to a new Traffic Enforcement and Safety Fund within the Michigan State Police. Under SB 554 the TEDF share of driver license fee revenue would not change.

***Sunset Provisions***

Under provisions of the bill, fees established in sections 312e, 312h, 801(3), 806(1), 807, and 811 of the Michigan Vehicle Code would sunset on October 1, 2009. See Appendix B for a description of these sections.

***Repealers*** – Under Enacting Section 1, the bill would repeal the following sections of the Michigan Vehicle Code, effective October 1, 2003:

Section 801d currently provides for optional 5-year plates for pole trailers, semi trailers, and trailers.

Section 817 related to the effective date of 1987 amendments to the Code.

Section 818 required the Secretary of State to display and maintain signs describing transaction costs and fees.

Section 820 related to the effective date of 1987 fee increases.

Under Enacting Section 2, the bill would repeal Sections 312e, 312h, 807, and 811 of the Michigan Vehicle Code, effective October 1, 2009. See Appendix B for a description of these sections.

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<sup>1</sup> Section 74 of the Michigan Vehicle Code (MCL 257.74) defines “trailer coach” as “*every vehicle primarily designed and used as temporary living quarters for recreational, camping, or travel purposes and drawn by another vehicle*”.

<sup>2</sup> Under current law, driving without a valid registration is a misdemeanor. House Bill 4086 (PA 9 of 2003) amended Section 255 to change the penalty to a civil infraction for persons who operator a non-commercial vehicle without a valid registration. This change is effective September 1, 2003.

**Appendix B**

**Analysis of SB 554, as enrolled**

**Table 1 - Schedule of Fees**

MCL section	Category	Current Fee	SB 554	Change	Distribution		Current Revenue	Revenue Est. Under SB 554	Increase Amount
					Current Law	SB 554			
<b>Plates and Registrations</b>									
257.217a	Amateur radio plates	\$2.00	\$2.00	N/A	MTF	TACF	\$840	\$840	\$0
257.217d (a) & (d)	Michigan veterans memorial plates <i>(1)</i>								
	Original donation	\$25.00	\$25.00	N/A	VVMMF	VVMMF			
	Renewal (donation)	\$10.00	\$10.00	N/A	MTF	VVMMF			
	Original service fee	\$10.00	\$10.00	N/A	MTF	TACF	\$20,600	\$20,600	\$0
257.226(6)	Prorated registrations	Various	See Note <i>(2)</i>		MTF	MTF	unknown	indeterminate	indeterminate
257.226b, 802(5)	Temporary registrations	Various	See Note <i>(3)</i>		MTF	MTF	\$0	\$3,600,000	\$3,600,000
257.801(1)(1)	Trailer registration taxes - See Note <i>(4)</i>								
257.801(3) ♦	Registration service fees	\$5.00	\$5.75	\$0.75	MTF	TACF	\$43,404,800	\$49,915,500	\$6,510,700
	New "regulatory fee"	N/A	\$2.25	\$2.25	N/A	TLESF		\$19,532,100	\$19,532,100
257.801(4)	Registration - Late fees	N/A	\$10.00	\$10.00	N/A	GF/GP		\$9,061,800	\$9,061,800

MCL section	Category	Current Fee	SB 554	Change	Distribution		Current Revenue	Revenue Est. Under SB 554	Increase Amount
					Current Law	SB554			
<b>Special registrations</b>									
Section 802(12) provides for the distribution of the following fees:									
257.802(1)	Special commercial - Sec. 226(8)	\$10.00	\$10.00	N/A	MTF	TACF			
257.802(3)	Special out-of-state - Sec. 226(9)	\$10.00	\$10.00	N/A	MTF	TACF			
257.802(4)	Temp. dealers regs - Sec. 226a(1)	\$5.00	\$5.00	N/A	MTF	TACF			
257.802(5)	Temp. regs - Sec. 226b	\$10.00	\$10.00	N/A	MTF	TACF			
257.802(6)	Temp. regs - Sec. 226a(5), (6), (7) <i>\$40.00 first two, \$20.00 each additional</i>	\$40/\$20	\$40/\$20	N/A	MTF	TACF			
257.802(7)	Special mobile equip - Sec. 216(d) <i>\$15.00 first three, \$5.00 each additional</i>	\$15/\$5	\$15/\$5	N/A	MTF	TACF			
257.802(8)	Three months - Sec. 801(1)(k)	\$10.00	\$10.00	N/A	MTF	TACF			
257.802(9)	Farm vehicle	\$20.00	\$20.00	N/A	MTF	TACF			
257.802(10)	Farm vehicle - three months	\$10.00	\$10.00	N/A	MTF	TACF			
257.802(11)	Partial year - Sec. 801(1)(k)	\$10.00	\$10.00	N/A	MTF	TACF			
	Total				MTF	TACF	\$4,592,800	\$4,592,800	\$0
257.803(b)	Personalized plates	\$30.00	\$30.00	N/A	MTF	TACF			
See Note (5)	2nd duplicate plate	\$5.00	\$5.00	N/A	MTF	TACF			
	Total				MTF	TACF	\$1,247,400	\$1,247,400	\$0
	Renewal	\$15.00	\$15.00	N/A	MTF/STF	MTF/STF			
257.803(r)	Military, vets and special org plates <i>Earmarks \$5.00 fees under 803e, 803f, 803i, 803j, 803k, 803l, 803n, and 803o to TACF. Earmarks \$25.00 fee under 803m to TACF.</i>	\$5/\$25	\$5/\$25	N/A	MTF	TACF	\$44,400	\$44,400	\$0



MCL section	Category	Current Fee	SB 554	Change	Distribution		Current Revenue	Revenue Est. Under SB 554	Increase Amount
					Current Law	SB 554			
257.804(1)	Commemorative plates	\$5.00	\$5.00	N/A	MTF	TACF			
257.804(2)	Duplicate/replacement								
	Standard	\$5.00	\$5.00	N/A	MTF	TACF			
	Special Organization	\$10.00	\$10.00	N/A	MTF	TACF			
	Fundraising	\$10.00	\$10.00	N/A	MTF	TACF			
	Total						\$1,650,000	\$1,650,000	\$0
257.806(1) ♦	Title application service fee <i>Including special expedited service</i>	\$0.00	\$3.00	\$3.00	New	TACF		\$10,225,700	\$10,225,700
257.811c	Olympic training center plates <i>Earmarks \$10.00 to TACF in lieu of manufacturing and administration costs.</i>	\$25.00	\$25.00	N/A	MTF	TACF	\$6,700	\$8,200	\$1,500
257.811h	Fundraising & Collector plates	\$10.00	\$10.00	N/A	MTF	TACF	\$400,000	\$400,000	\$0
<b>Dealer Licenses</b>									
257.807 ♦	Dealer's license under Sec. 247.248								
	Full year	\$10.00	\$75.00	\$65.00	MTF	MTF			
	1/2 year	\$5.00	\$37.50	\$32.50	MTF	MTF			
	Multiple year	\$10.00	\$75.00	\$65.00	MTF	MTF			
	Total						\$63,900	\$479,400	\$415,500
	Used/Salvage license								
	Full year	\$100.00	\$160.00	\$60.00	MTF	MTF			
	1/2 year	\$50.00	\$80.00	\$30.00	MTF	MTF			
	Multiple year	\$100.00	\$160.00	\$60.00	MTF	MTF			
	Total						\$198,900	\$318,200	\$119,300

MCL section	Category	Current Fee	SB 554	Change	Distribution		Current Revenue	Revenue Est. Under SB 554	Increase Amount
					Current Law	SB 554			
<b>Driver's Licenses</b>									
See Notes (6) and (7)									
257.811	◆								
	Operator's License	\$13.00	\$25.00	\$12.00	GF/GP	GF/GP	\$3,334,500	\$6,412,500	\$3,078,000
	Renewal	\$13.00	\$18.00	\$5.00	GF/GP	GF/GP	\$20,572,900	\$28,485,500	\$7,912,600
	Late renewal	\$13.00	\$25.00	\$12.00	GF/GP	GF/GP		\$1,115,700	\$1,115,700
	Chauffeur - original	\$21.00	\$35.00	\$14.00	GF/GP	GF/GP	\$1,018,500	\$1,697,500	\$679,000
	Chauffeur - renewal	\$21.00	\$35.00	\$14.00	GF/GP	GF/GP	\$3,120,600	\$5,201,000	\$2,080,400
	Minor's restricted	\$5.00	\$25.00	\$20.00	GF/GP	GF/GP			
257.812	◆								
	Duplicate operators	\$7.00	\$9.00	\$2.00	GF/GP	GF/GP			
	Duplicate chauffeurs	\$12.00	\$18.00	\$6.00	GF/GP	GF/GP			
	Total						\$1,964,700	\$2,526,000	\$561,300
257.312e	Commercial Driver's License	\$20.00	\$25.00	\$5.00	GF/GP	GF/GP			
257.312h	Chauffeur - CDL endorsement	\$20.00	\$25.00	\$5.00	GF/GP	GF/GP			
	Total							\$451,000	\$451,000
Revenue Totals							\$81,641,540	\$146,986,140	\$65,344,600
<b>Distribution:</b>									
Fund Switch - MTF - TACF							\$51,367,540		
New revenue to MTF									\$4,134,800
New revenue to TACF									16,737,900
New revenue to TLESF									19,532,100
New revenue to GF/GP									24,939,800
Total revenue increase									<u>\$65,344,600</u>

**Abbreviations and Symbols**

MTF = Michigan Transportation Fund established under PA 51 of 1951.

STF = State Trunkline Fund established under PA 51 of 1951.

TACF = Transportation Administration Collection Fund established under 257.810b

TLESF = Traffic Law Enforcement and Safety Fund established under 257.819a.

VVMMF = Vietnam veterans memorial monument fund.

GF/GP = General Fund/ General Purpose revenue.

◆ Section Sunsets on 10/1/2009

**Notes**

(1) Current law provides for a \$25.00 donation to the Vietnam veterans memorial monument fund (VVMMF) for original plates, and a \$10.00 service fee.

Current law does not provide for an additional donation upon renewal, only an additional \$10.00 service fee.

Current law provides that the service fees, less manufacturing and administrative costs, are also transferred to the VVMMF.

Since the manufacturing and administrative costs are \$10.00 per plate, the service fees effectively make a round trip to the MTF and back to the Department of State.

SB 554 would direct the original \$10.00 service fee to the TACF, and change the \$10.00 renewal fee to a donation to the VVMMF.

The bill would not change the amount or distribution of the original \$25.00 donation.

(2) SB 554 eliminates prorated registrations. This change will result in an increase in MTF revenue, although the amount of increase can not be readily determined. The \$3.6 million estimate is within the range of revenue estimates developed by the department.

(3) SB 554 replaces 14-day registrations under this section with 30 and 60 day registrations.

For this table the current \$10 service fees for 14-day registrations are included in the \$43,404,800 figure under Section 257.801(3).

(4) Changes related to trailer registration taxes result in an estimated one-time revenue increase of \$108.0 million in for FY 2003-04. See Appendix C for detail related to this fee.

(5) Under current law the \$15.00 renewal fee is earmarked for the MTF, after deduction of manufacturing and administrative costs.

SB 554 eliminates the manufacturing and administrative deduction so that the entire \$15.00 would go to the MTF.

SB 554 does not change the current additional earmark of the STF portion of the MTF distribution for litter pickup and cleanup on state roads and rights of way.

(6) The current driver's license fees listed in this schedule are shown to include the \$1.00 service fee assessed under 307(3). SB 554 eliminates this fee.

(7) Although this schedule shows all driver's license fees as distributed to the state General Fund, Section 819 earmarks a portion of these fees to the Transportation Economic Development Fund created in PA 231 of 1987. SB 554 does not affect this distribution to the TEDEF. All driver's license fee increases in SB 554 would be credited to the General Fund.

## Appendix C

### Analysis of SB 554, As Enrolled Schedule of Trailer Fees Under Current Law and SB 554

<b>Current Law</b>	<b>Tax base</b>	<b>Tax</b>	<b>Revenue</b>
<b>Trailer Coaches</b>	<b>Per hundred weight</b>	<b>76 cents</b>	<b>\$4,500,000</b>
<b>Pole Trailers, Semitrailers, Trailers</b>	<b>Per empty weight:</b>		
	<b>0 to 500 lbs</b>	<b>\$17.00</b>	
	<b>501 to 1,500 lbs</b>	<b>\$24.00</b>	
	<b>1,501 and over</b>	<b>\$39.00</b>	
	<b>Total</b>		<b>\$25,659,700</b>
<b>Total FY 2001-02</b>			<b>\$30,159,700</b>

<b>Senate Bill 554, Section 801(1)(l)</b>	<b>Tax base</b>	<b>Tax</b>	<b>Revenue</b>
<b>Trailer Coaches, Pole Trailers, Semitrailers, Trailers</b>	<b>Per empty weight:</b>		
	<b>0 – 2,499 lbs</b>	<b>\$75.00</b>	
	<b>2,500 to 9,999 lbs</b>	<b>\$200.00</b>	
	<b>10,000 and over</b>	<b>\$300.00</b>	
	<b>Total FY 2003-04</b>		<b>\$138,135,200</b>
<b>Less: Current Law</b>			<b>(\$30,159,700)</b>
<b>Increase for FY 2003-04</b>			<b>\$107,975,500</b>

#### Analyst(s)

William Hamilton

ENROLLED ANALYSIS - 8/13/03