

Legislative Analysis



AMEND VEHICLE CODE TO DIRECT REGISTRATION TRANSFER FEES TO TRANSPORTATION ADMINISTRATION COLLECTION FUND

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House Bill 4275

Sponsor: Rep. Hoon-Yung Hopgood

Committee: Transportation

Revised Summary

Complete to 05-24-07

A REVISED SUMMARY OF HOUSE BILL 4275 AS INTRODUCED 02-14-07

Under current law, revenue from an \$8.00 vehicle registration transfer fee, established in Section 809 of the Michigan Vehicle Code, is credited to the Transportation Administration Collection Fund (TACF) through September 30, 2006; starting October 1, 2006 and through September 30, 2009, the revenue would be credited to the Michigan Transportation Fund (MTF). House Bill 4275 would amend the Michigan Vehicle Code to continue the deposit of the fee into the TACF through September 30, 2009.

The bill is identical to Senate Bill 211, as introduced. Senate Bill 211 was reported from the House Committee on Appropriations committee on May 17, 2007 as an H-1 substitute. The bill differs from Senate Bill 211 (H-1) only with regard to the date references. Senate Bill 211 (H-1) would continue to credit the \$8.00 transfer fee to the TACF only through September 30, 2008.

All the TACF service fees established in Sections 801, 806, and 809 of the Michigan Vehicle Code will sunset on September 30, 2009.

BACKGROUND INFORMATION:

Under current law, a vehicle owner may transfer registration plates from one vehicle to another vehicle. This is frequently done when trading-in one vehicle to purchase a new vehicle. Section 809 of the Michigan Vehicle Code requires that an \$8.00 registration transfer fee accompany the application for transfer of registration. Under current law this \$8.00 transfer fee is deposited to the TACF through September 30, 2006. House Bill 4275, as introduced, would amend the section to provide for the deposit of this fee into the TACF through September 30, 2009.

The current year General Government appropriation act (Article 7 of 2006 PA 345) assumes that revenue from this fee, as well as revenue from the expedited title transfer fee established in Section 806 of the Michigan Vehicle Code, would continue be deposited to the TACF to support Department of State appropriations.

FISCAL IMPACT:

The registration transfer fee generates approximately \$8.9 million annually. If bills to continue the credit of registration transfer fees and expedited title transfer fees to the TACF are not enacted, there would be a \$10.0 million shortfall in the Department of State's current year budget.

Under current law, the title service fees established in Section 806, the registration service fees established in Section 809, and the additional registration service fees established in Section 801 will all sunset on September 30, 2009.

For additional information on the TACF, see our May 2, 2007 memo "Transportation Administration Collection Fund" available on the House Fiscal Agency website:
<http://www.house.mi.gov/hfa/PDFs/TACF%20history.pdf>

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