

MILITARY SURPLUS VEHICLES

Phone: (517) 373-8080
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House Bill 4866 (H-2) as reported from committee

Sponsor: Rep. Steven Johnson

1st Committee: Transportation

2nd Committee: Ways and Means

Complete to 6-24-20

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4866 would amend the Michigan Vehicle Code to expand the definition of historical vehicle to include a *military surplus vehicle* that is over 25 years old.

The Vehicle Code currently defines historic vehicle as a vehicle that is over 25 years old and that is owned solely as a collector's item, including participation in club activities, parades, exhibitions, and the like, but is not used for general transportation.

The bill would define *military surplus vehicle* as a high-mobility multipurpose wheeled vehicle or motor vehicle, commonly known as a Humvee or HMMWV, that is not a tracked vehicle or a half-tracked vehicle and that meets all of the following requirements:

- Was made by or under the direction of the United States Armed Forces for military use.
- Was subsequently authorized for sale to civilians.
- Complies with 49 CFR 571.7 and MIL-STD-1180-B.¹
- Passed the TR-54 safety inspection.²

The bill would take effect 90 days after being enacted.

MCL 257.20a

BACKGROUND:

House Bill 4866 is a reintroduction of SB 1040 of the 2017-18 legislative session, which was enrolled but vetoed by Governor Snyder, who wrote, "Were this bill to take effect, vehicles that were never manufactured or intended for on road passenger use could be registered and permitted on public streets and roads. I do not believe that it is appropriate for such vehicles to be registered for anything other than off-road purposes."

¹ <https://www.govinfo.gov/content/pkg/CFR-2010-title49-vol6/pdf/CFR-2010-title49-vol6-sec571-7.pdf>

² This is an inspection by a Michigan police officer that a vehicle has the equipment required for on-road registration. See https://www.michigan.gov/sos/0,4670,7-127-96435_1587_1588-25476--,00.html
See also https://www.michigan.gov/documents/TR-54_38480_7.pdf

FISCAL IMPACT:

The fiscal impact of including these vehicles under the historic registration categories would depend on whether any of these vehicles are currently registered and pay registration tax under section 801 of the Michigan Vehicle Code. If military vehicles are currently registered under the ad valorem or weight based registration categories of section 801, classifying military vehicles over 25 years old as historic vehicles could result in a marginal loss in registration tax revenue. If these vehicles are currently unregistered, including them in the historic registration categories could result in a nominal increase in registration tax revenue. Registration tax revenue is deposited into the Michigan Transportation Fund. Money in the fund is directed to local road agencies, public transportation, and various state offices to support road maintenance and other purposes.

The other factor affecting the registration category for these vehicles is whether they are used only for club activities, exhibitions, tours, parades, and similar uses, or whether they are used for general transportation.

Section 801 of the Vehicle Code establishes registration taxes for most motor vehicles. The classification of a vehicle as a historic vehicle affects the registration taxes assessed on the vehicle. Section 801(6) indicates that “this section [i.e., the section of the Vehicle Code that establishes vehicle registration taxes] does not apply to a historic vehicle.” This explicit exemption was added by 2012 PA 498.

The Michigan Vehicle Code provides for two kinds of historic registration plates:

Department-issued plates – Section 803a of the Vehicle Code authorizes the Secretary of State to issue a registration with the designation “historic vehicle.” The registration fee is \$30 and is valid for ten years. The plate is transferable with payment of an \$8 transfer fee. In May 2018, Secretary of State records identified 79,191 registrations under this category.

Authentic historic plates – Section 803p of the Vehicle Code allows owners of historic vehicles to use plates issued in the same year as the vehicle’s model year. The act allows the owner to purchase a plate from someone else (e.g., from a yard sale or secondhand store), restore it, and use it as a valid Michigan registration plate. The registration fee for these plates is \$35 and is effectively permanent with respect to the owner—the plate is valid until the vehicle is sold to another owner. As of May 2018, there were 63,142 authentic historic plates in the Secretary of State system.

The Department of State’s website³ states: “Since 1956, the state has issued historic and authentic license plates for antique vehicles used in parades, fairs, car shows, swap meets and other events.” And mirroring the definition of section 20a (“not used for general transportation”), the department’s website also indicates: “A vehicle registered with a historical or authentic plate cannot be used for routine, day-to-day transportation.” It is not clear to what extent police agencies enforce these limitations.

³ https://www.michigan.gov/sos/0,4670,7-127-1585_1595_52364---,00.html

POSITIONS:

A representative of Military Vehicle Collectors Club Michigan and Military Vehicle Preservation Association testified in support of the bill. (11-5-19)

A representative of the Office of the Secretary of State testified in opposition to the bill. (11-5-19)

Legislative Analyst: E. Best
Fiscal Analysts: William E. Hamilton
Michael Cnossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.