



## Legislative Report for May 2017

### Motorcycle and Transportation Bills

#### Changes from last month's report are in Blue

➤ **HB 4306 – Increase motorcycle endorsement fee and earmark increased funds into the motorcycle safety fund**

- Original endorsement: from \$13.5 to \$16.00
- Renewal of endorsement: From \$5.00 to \$7.00
- Registration Tax: From \$23 to \$25
- **02-Mar-2017: Referred to committee on Transportation and Infrastructure**
- The increased endorsement fees will generate \$250,000 annually and will be put in the newly created Motorcycle Awareness Fund. **See page 6-8 for financial analysis**
- The increased Registration tax will generate \$516,500 annually and will be put in the motorcycle safety fund
- Actual H3 Wording: THE MOTORCYCLE SAFETY AWARENESS FUND IS CREATED WITHIN THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND. THE STATE TREASURER SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES. THE SECRETARY OF STATE SHALL EXPEND MONEY FROM THE FUND FOR THE PURPOSE OF CREATING AND MAINTAINING A "LOOK TWICE — SAVE A LIFE" PROGRAM THAT PRODUCES ADVERTISEMENTS AND BILLBOARDS PROMOTING MOTORCYCLE AWARENESS.  
BEGINNING ON THE EFFECTIVE DATE OF THE 2017 AMENDATORY ACT THAT AMENDED THIS SUBDIVISION, \$5.00 OF EACH MOTORCYCLE FEE SHALL BE PLACED IN THE MOTORCYCLE SAFETY FUND AND SHALL BE USED ONLY FOR FUNDING THE MOTORCYCLE SAFETY EDUCATION PROGRAM AS PROVIDED FOR UNDER SECTIONS 312B AND 811A.

➤ **HB4480 – Motorcycle Handlebar Height Change from 15" to 30"**

- **19-Mar-2017: Referred to committee on Transportation and Infrastructure**

➤ **SB 0160, HB4525 – Modify the definition of autocycle**

- Autocycle = ADD: has rollbar or roll hoops and is not equipped with a saddle.
- **15-Feb-2017: Referred to committee on transportation**
- **18-Apr-2017: Passed the House Yeas 36, Nays 0**
- **19-Apr-2017: Referred to House committee on transportation**
- **25-Apr-2017: HB4525 - Referred to committee on transportation**

➤ **HB4466 – Distracted driving bill**

- A Driver shall not hold or use a portable electronic device while operating a motor vehicle on a highway or street in this state, including operating while temporarily stationary because of a traffic light or stop sign. But not including operation when the vehicle has been pulled over to the side of the roadway and is stopped.
- **30-Mar-2017: Referred to committee on Transportation and Infrastructure**

➤ **HB4198 / SB0124 – driver training; training component for drivers regarding safety for bicyclists, Motorcyclist and other vulnerable roadway users on the road**

- THE LAWS OF THIS STATE PERTAINING TO AWARENESS OF BICYCLES, MOTORCYCLES, AND OTHER VULNERABLE ROADWAY USERS, INCLUDING PEDESTRIANS, SHALL ALSO BE INCORPORATED INTO ADDITIONAL CURRICULUM, WHICH SHALL INCLUDE, BUT IS NOT LIMITED TO, LAWS PERTAINING TO YIELDING THE RIGHT-OF-WAY, TRAVELING AT A SAFE AND REASONABLE SPEED FOR CONDITIONS, ENSURING A SAFE DISTANCE, AND DISTRACTED DRIVING.
- **14-Feb-2017: HB4198: Referred to committee on Transportation and Infrastructure**
- **09-Feb-2017: SB0124 Referred to committee on Judiciary**

➤ **HB4013 – Allow paperless registration and proof of insurance**

- Allow for electronic or digital photograph of vehicle registration
- **11-Jan-2017: Referred to committee on insurance**
- **02-Mar-2017:** Substitute H1 = Police officer can only view the electronic copy of the certificate and is prohibited from manipulating the device to view any other information. A person who displayed the copy through an electronic device would not be presumed to have consented to a search of that device.
- **14-Mar-2017: Passed the House Yeas 108, Nays 0**
- **15-Mar-2017: Referred to Senate committee on insurance**

➤ **HB4024 – Extend driver license renewal from 4yr to 8yr**

- **12-Jan-2017: Referred to committee on transportation and infrastructure.**

➤ **HB4040 / SB0071 – Vehicle registration fees; exempt senior citizens from increases.**

- THE REGISTRATION TAX INCREASES PROVIDED UNDER 15 SUBDIVISION (P) (i) (B) DO NOT APPLY IF THE REGISTRANT OF THE 16 VEHICLE IS 65 YEARS OF AGE OR OLDER ON OR AFTER JANUARY 1, 2017.
- **12-Jan-2017: HB4040: Referred to Committee on Government Operations**
- **31-Jan-2014: SB0071: Referred to committee on Transportation**

➤ **HB4251 – Remove increased Vehicle registration fees 2015**

- **21-Feb-2017: Referred to committee on Transportation and Infrastructure**

➤ **HB4042 – Operating a motor vehicle without valid driver license; Increase penalties and require police officers to take certain actions:**

- A PEACE OFFICER WHO DETERMINES THAT A PERSON IS OPERATING A MOTOR VEHICLE IN VIOLATION OF THIS SUBSECTION AND THAT THE PERSON IS THE OWNER OF THE MOTOR VEHICLE 201143'17 ELF SHALL IMMEDIATELY CONFISCATE THE MOTOR VEHICLE'S REGISTRATION PLATE AND NOTIFY THE SECRETARY OF STATE THROUGH THE LAW ENFORCEMENT INFORMATION NETWORK IN A FORM RESCIBED BY THE SECRETARY OF STATE THAT THE REGISTRATION PLATE WAS CONFISCATED. A REGISTRATION PLATE THAT HAS BEEN CONFISCATED UNDER THIS SUBSECTION MUST BE HELD FOR A PERIOD OF 10 DAYS AFTER THE CONFISCATION AND, UNLESS THE OWNER OF THE MOTOR VEHICLE PROVIDES PROOF WITHIN THAT 10-DAY PERIOD THAT THE MOTOR VEHICLE IS INSURED UNDER CHAPTER 31 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 TO 500.3179, MUST BE DESTROYED. A POLICE OFFICER WHO DESTROYS A REGISTRATION PLATE AS PROVIDED IN THIS SUBSECTION SHALL NOTIFY THE SECRETARY OF STATE THROUGH THE LAW ENFORCEMENT INFORMATION NETWORK IN A FORM PRESCRIBED BY THE SECRETARY OF STATE THAT THE REGISTRATION PLATE WAS DESTROYED
- **18-Jan-2017: Referred to committee on Law and Justice**

➤ **HB4062 – Traffic regulation; traveling in extreme left-hand lane**

- UPON A ROADWAY HAVING 2 OR MORE LANES FOR TRAVEL IN 1 DIRECTION, THE DRIVER OF A VEHICLE IN THE EXTREME LEFT-HAND LANE SHALL NOT CONTINUE TO OPERATE HIS OR HER VEHICLE IN THAT LANE IF HE OR SHE KNOWS OR REASONABLY SHOULD KNOW THAT HE OR SHE IS BEING OVERTAKEN IN THAT LANE FROM THE REAR BY A VEHICLE TRAVELING AT A HIGHER RATE OF SPEED. THIS SUBSECTION DOES NOT APPLY UNDER ANY OF THE FOLLOWING CIRCUMSTANCES: (A) TRAFFIC CONDITIONS, INCLEMENT WEATHER, OBSTRUCTIONS, HAZARDS, OR COMPLIANCE WITH A LAW OF THIS STATE OR AN OFFICIAL TRAFFIC CONTROL DEVICE MAKE IT NECESSARY TO DRIVE IN THE EXTREME LEFT-HAND LANE
- **18-Jan-2017: referred to Committee on Transportation and Infrastructure**

➤ **HB4108 – Speed restrictions when passing**

- THE DRIVER OF A VEHICLE THAT IS OVER TAKING AND PASSING ANOTHER VEHICLE PROCEEDING IN THE SAME DIRECTION IN THE MANNER DESCRIBED IN SUBSECTION (1) MAY EXCEED THE SPEED LIMIT FOR THE PORTION OF HIGHWAY UPON WHICH THAT VEHICLE IS TRAVELING, SUBJECT TO ALL OF THE FOLLOWING:
  - (A) THE DRIVER MAY EXCEED THE SPEED LIMIT BY NO MORE THAN 10 MILES PER HOUR.
  - (B) THE DRIVER MAY ONLY EXCEED THE SPEEDLIMIT DURING THE PERIOD OF TIME THAT HE OR SHE IS OVERTAKING AND PASSING THE OTHER VEHICLE AS DESCRIBED IN SUBSECTION (1) AND FOR NO LONGER THAN 10 SECONDS AFTER HE OR SHE HAS SAFELY OVERTAKEN AND PASSED THE OTHER VEHICLE.
  - (C) THIS SUBSECTION ONLY APPLIES WHILE THE VEHICLE IS TRAVELING ON A PORTION OF A HIGHWAY THAT IS NOT WITHIN THE LIMITS OF A VILLAGE OR CITY OR WITHIN A SCHOOL ZONE.
- **26-Jan-2017: referred to Committee on Transportation and Infrastructure**

- **SB0046 – Eliminate the requirement that emergency lights be mounted on the roof of an authorized emergency vehicle**
  - 18-Jan-2017: Referred to committee on transportation
  - 15-Mar-2017: Passed the House Yeas 37, Nays 0
  - 16-Mar-2017: Referred to House committee on transportation
  
- **HB 4185 / HB 4265 / SB0123 – requirement for operator of a motor vehicle to maintain a 5-foot distance when passing a bicyclist on the left**
  - THE DRIVER OF A VEHICLE OVERTAKING A BICYCLE PROCEEDING IN THE SAME DIRECTION SHALL PASS AT A SAFE DISTANCE OF AT LEAST 5 FEET TO THE LEFT OF THAT BICYCLE, AND WHEN SAFELY CLEAR OF THE OVERTAKEN BICYCLE SHALL TAKE UP A POSITION AS NEAR THE RIGHT-HAND EDGE OF THE MAIN TRAVELED PORTION OF THE HIGHWAY AS IS PRACTICABLE. NOT WITHSTANDING SECTION 640, IF IT IS SAFE TO DO SO, THE DRIVER OF A VEHICLE OVERTAKING A BICYCLE PROCEEDING IN THE SAME DIRECTION MAY OVERTAKE AND PASS THE BICYCLE IN A NO-PASSING ZONE.
  - 09-Feb-2017: HB4185: Referred to committee on Transportation and Infrastructure
  - 09-Feb-2017: SB0123: Referred to committee on Judiciary
  - 23-Feb-2017: HB4265: Referred to committee on Transportation and Infrastructure
  
- **SB 0170 – maintain a 5-foot distance when passing a bicyclist on the right**
  - THE DRIVER OF A VEHICLE OVERTAKING A BICYCLE SHALL, WHEN OTHERWISE PERMITTED BY THIS SECTION, PASS AT A SAFE DISTANCE OF AT LEAST 5 FEET TO THE RIGHT OF THAT BICYCLE
  - 21-Feb-2017: Referred to committee on Judiciary
  
- **SB0151 – violations; use of unmanned traffic monitoring device for ticketing traffic infractions; prohibit, and prohibit secretary of state from assigning points against individual under certain circumstances**
  - IF AN INDIVIDUAL HOLDING AN OPERATOR'S OR CHAUFFEUR'S LICENSE IN THIS STATE COMMITS A VIOLATION IN ANOTHER STATE BASED ON ENFORCEMENT BY AN UNMANNED TRAFFIC MONITORING DEVICE THAT WOULD, THE SECRETARY OF STATE SHALL NOT RETAIN A RECORD OF THE VIOLATION OR ASSESS POINTS AGAINST THE LICENSE HOLDER.
  - 09-Feb-2017: Referred to committee on Transportation

## Other Bills in Lansing

- **HB4033 – HB4035 – Absentee voter; issue upon voter’s request without requiring justification**
  - 12-Jan-2017: Referred to Elections and Ethics Committee
  
- **HB4037 – HB4039 - Automatic voter registration when receiving driver license or identification card**
  - EXCEPTION: THE SECRETARY OF STATE SHALL NOT AUTOMATICALLY REGISTER TO VOTE AN INDIVIDUAL WHO DECLINES IN WRITING, ON A FORM PRESCRIBED BY THE SECRETARY OF STATE.
  - 12-Jan-2017: Referred to Elections and Ethics Committee
  
- **HB4053 – Establish English as the official state language**
  - 12-Jan-2017: Referred to the committee on Government Operations

## Florida Bill Update

- **Florida House Bill 6008: Mandatory Helmet Bill**
  - Removes provisions authorizing certain persons over 21 years of age to operate/ride motorcycle without wearing protective headgear; provides penalties.
  - **Last Action:** Now in Transportation & Infrastructure Subcommittee on Monday, January 09, 2017

# Legislative Analysis

House Fiscal Agency Page 1 of 3

Phone: (517) 373-8080 <http://www.house.mi.gov/hfa> Analysis available at <http://www.legislature.mi.gov>

## **MOTORCYCLE ENDORSEMENT/REGISTRATION**

**House Bill 4306 (reported from committee as H-3)**

**Sponsor: Rep. Jim Tedder**

**Committee: Transportation and Infrastructure**

**Complete to 3-29-17**

### **SUMMARY:**

The bill would amend the Michigan Vehicle Code regarding motorcycle endorsement fees and motorcycle registration taxes as follows:

#### ***Endorsement Fees***

- Increase the original motorcycle endorsement fee on an operator's or chauffeur's license from \$13.50 to \$16.00,
- Increase the renewal motorcycle endorsement fee from \$5.00 to \$7.00.
- Earmark revenue from these increases, \$2.50 of each original endorsement, and \$2.00 on each renewal endorsement, for a new Motorcycle Safety Awareness Fund created in new subsection 3.
- Create a new Motorcycle Safety Awareness Fund within the state treasury and allow the treasurer to receive money or other assets from any source for deposit into the Fund. The treasurer would direct the investment of the Fund and credit to the fund interest and earnings from Fund investments. Money in the Fund at the end of a fiscal year would remain in the fund and not lapse into the general fund. The state treasurer would be the administrator for auditing purposes.
- Require the Secretary of State to expend money from the fund for purposes of creating and maintaining a "Look Twice – Save a Life" program that produces advertisements and billboard promoting motorcycle awareness.

The Motorcycle Safety Fund, which was previously established in the Michigan Vehicle Code, receives \$10.00 from each original endorsement and \$3.00 from each renewal for motorcycle safety education programs operated by the Secretary of State. The bill does not change the amount of this earmark.

#### ***Motorcycle Registration Tax***

- Increase the base motorcycle registration tax from \$23.00 to \$25.00, and increase the earmark of each "motorcycle fee" from \$3.00 to \$5.00. This earmark designates motorcycle fees to the Motorcycle Safety Fund for funding motorcycle safety education programs.

House Fiscal Agency HB 4306 (as reported from Committee) Page 2 of 3

## **FISCAL IMPACT:**

### **Section 312c. (1)**

House Bill 4306 would result in an estimated increase in motorcycle endorsement fee revenue of \$250,000 annually over the roughly \$718,000 currently collected. This additional revenue would be credited to the newly created Motorcycle Safety Awareness Fund. The new fund would be authorized to collect interest and earnings from fund investments and would not lapse to the General Fund at the end of the fiscal year. Earmarks for the existing Motorcycle Safety Fund and for local government would not change therefore the bill would have no fiscal impact to the Department of State or local government.

### **Section 801(1)(n)**

House Bill 4306 would increase the current base registration tax on motorcycles from \$23.00 to \$25.00. Current law also earmarks \$3.00 of each "motorcycle fee" to the Motorcycle Safety Fund for motorcycle safety education programs. The bill would increase this earmark from \$3.00 to \$5.00. Based on 2016 motorcycle registrations of 258,265, the bill would increase Motorcycle Safety Fund revenue from the motorcycle registration tax earmark by \$516,500 (from the current \$771,468). The bill as introduced did not increase the base motorcycle registration tax and as a result, the increase in the Motorcycle Safety Fund earmark would have reduced registration tax revenue for credit to the Michigan Transportation Fund (MTF). Because the H-3 substitute increases the base motorcycle registration tax by \$2.00, the \$2.00 increase in the Motorcycle Safety Fund earmark does not affect MTF revenue.

In Fiscal Year 2015-16, the Motorcycle Safety Fund was credited with a total of \$1.7 million from license endorsement fees, the earmark of motorcycle registration taxes, and other vehicle transactions. The proposed increase in Motorcycle Safety Fund revenue could help ensure solvency of the fund and the motorcycle safety education training grants program.

### **Note on Motorcycle Registration Tax**

The current registration tax on motorcycles is established in Section 801(1)(n) of the Michigan Vehicle Code. This subdivision states that the registration tax for each motorcycle is \$23.00. The section also states: "Beginning January 1, 1984, the registration tax for each motorcycle is increased by \$3.00," and directs that "Beginning January 1, 1984, \$3.00 of each motorcycle fee shall be placed in a motorcycle safety fund..."

The Michigan Vehicle Code generally uses the word "registration tax" to refer to the specific vehicle registration taxes that are constitutionally dedicated to transportation and are earmarked to the MTF in statute. The word "fee" is generally used to refer to late fees, service fees, regulatory fees, or recreation passport fees that are not considered specific registration taxes and thus not constitutionally dedicated to transportation. The subdivision establishing the registration tax on motorcycles, Section 801(1)(n), uses both terms, "tax" and "fee." House Fiscal Agency HB 4306 (as reported from Committee) Page 3 of 3

This current language would appear to establish a base registration tax rate for each motorcycle of \$23.00, plus a separate \$3.00 registration tax increase, effective January 1, 1984, earmarked for the Motorcycle Safety Fund. The \$23.00 base tax plus the \$3.00 increases would total \$26.00. However, it is our understanding that the Secretary of State currently collects only \$23.00 in total for each from motorcycle registration and credits the \$3.00 Motorcycle Safety Fund earmark from the \$23.00 registration tax.

We note that Section 801(1)(n) currently directs that the registration tax on motorcycles be annually adjusted based on increase or decrease in state personal income. It is our understanding that the Department of State does not make this annual adjustment of the motorcycle registration tax.

**BACKGROUND INFORMATION:**

Vehicle registration taxes represent one of the two major sources of constitutionally dedicated state transportation revenue—the other major source being motor fuel taxes. Revenue from registration taxes totaled \$1.0 billion in FY 2015-16. This revenue is constitutionally dedicated to transportation and is credited to the Michigan Transportation Fund (MTF) in accordance with the provisions of Public Act 51 of 1951.

Vehicle registration taxes are established in the Michigan Vehicle Code (Public Act 300 of 1949). Sections 224 and 225 of the Michigan Vehicle Code provide for the registration of motor vehicles and give authority for the vehicle registration program to the Michigan Secretary of State.

Registration taxes are assessed and collected when vehicle owners obtain new registration license plates from the Secretary of State or renew registrations.

There is not a single registration tax. There are in fact a number of different registration taxes established in Section 801 of the Michigan Vehicle Code. A number of factors determine the tax rate and the base on which the tax is applied, including the vehicle model year, the list price of the vehicle, the weight of the vehicle, the use of the vehicle, and in some see the memorandum *Vehicle Registration Taxes, Fiscal Focus: Vehicle Registration Primer*, dated August 21, 2014, on the House Fiscal Agency website.

**POSITIONS:**

- ABATE of Michigan (representing motorcyclists) testified in support of the bill. (3-21-17)
- The Office of the Secretary of State is neutral on the bill. (3-21-17)

Legislative Analyst: E. Best

Fiscal Analyst: William E. Hamilton

Michael Cnossen