



**House
Legislative
Analysis
Section**

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REGISTRATION OF CERT. VEHICLES

**House Bill 4203 as introduced
First Analysis (2-13-96)**

**Sponsor: Rep. Greg Pitoniak
Committee: Transportation**

THE APPARENT PROBLEM:

The Michigan Vehicle Code generally requires all motor vehicles and trailers, when driven or moved on state roadways, to be registered and titled with the secretary of state, but exempts certain vehicles from these requirements. Although they are not currently included among the trailers which are exempt, pull-dollies and converter gears are two special types of trailer-like apparatuses used in commercial hauling situations which, based on a policy adopted by the Michigan State Police, are not required to be registered. However, because this policy apparently is not widely known among local law enforcement agencies, trucks using them in their operations occasionally are stopped and ticketed for not having them registered. This problem has prompted the secretary of state to request legislation to define these vehicles in the act and specifically exempt them from its registration and titling requirements.

In a related matter, the act currently enables the secretary of state to issue refunds for vehicle registrations, but only in very limited circumstances. For instance, refunds are permitted in cases of error on the part of the secretary of state, if a person's license to drive is revoked or suspended, when a spouse dies, and in other special cases. The secretary of state, however, says nothing within current law allows it to refund a registration fee paid for a renewal registration plate or tab which subsequently becomes unneeded due to some unforeseen event. Examples include when a vehicle for which a renewal has been paid was stolen, its ownership was transferred or reassigned, it was originally registered as a fleet vehicle in error, or its lease was canceled. The secretary of state has requested amendments to allow it to issue a full refund under such circumstances, as long as certain other criteria are met.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to add to the list of vehicles exempted from the act's registration and titling requirements a "converter gear" and "pull-dolly," which the bill would define, respectively, as "an auxiliary undercarriage assembly with a fifth wheel and tow bar used to convert a

semitrailer to a full trailer" and "an auxiliary towing device designed so that two wheels of a vehicle rest upon it [to be] towed by another vehicle." Under the bill, the definition for "trailer" specifically would exclude these vehicles.

The act currently allows owners of vehicles required to be registered to obtain refunds for registrations in certain circumstances. The bill specifies that after the owner or lessee of a vehicle received a renewal registration plate or tab for a registered vehicle, he or she could apply for and obtain a full renewal registration or tab refund if he or she provided satisfactory proof to the secretary of state that all of the following applied:

- * The vehicle met at least one of the following criteria: 1) it was stolen and had not been recovered, 2) its ownership was transferred or assigned, 3) it had been registered in error as part of a fleet but never intended to be used in a fleet, or 4) its lease had been canceled;
- * The renewal registration period was for neither less than nor more than 12 months;
- * One of the four criteria above had been met before the 12-month renewal period began; and
- * Within 30 days after a vehicle met at least one of the four criteria, its owner or lessee returned the registration plate or tab to the secretary of state. If the plate or tab had been issued as an international registration plan plate or tab, a refund could not exceed the total amount of Michigan-apportioned fees assessed for the plate/tab. (The IRP is a method of registering vehicle fleets engaged in interstate commerce, where registration fees are apportioned according to the number of miles traveled by a vehicle in Michigan, relative to total miles traveled elsewhere.)

The act currently provides that the owner of a trailer or semitrailer who transfers or assigns the title or interest in the vehicle may obtain a refund from the secretary of state on the registration for each unused, whole registration period remaining on the registration from

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the date the plates are returned and the application for a refund is made; the bill would delete this provision.

In addition, the bill would include under the provisions governing registration of vehicles under the IRP both wreckers and buses engaged in interstate commerce.

MCL 257.73 et al.

FISCAL IMPLICATIONS:

The Department of State says the bill would have minimal fiscal implications for the Michigan Transportation Fund, into which revenue generated from registration fees is deposited. The department indicates the bill probably would result in about ten additional refund requests per year and, thus, would decrease the amount of money directed into the fund. (2-7-96)

ARGUMENTS:

For:

The bill would adopt a number of changes to the Michigan Vehicle Code requested by the secretary of state involving vehicle registration. The act currently does not include under its provisions two types of vehicles commonly used in combination with another vehicle for purposes of providing a wheel base to tow another vehicle. A pull-dolly is attached to the back end of another motor vehicle and used instead of a wrecker to haul a disabled vehicle; it attaches to the underside of the towing vehicle and its axle base supports the vehicle being towed. The converter gear is a similar apparatus with one axle base which is used to attach two trailers being pulled. Both the secretary of state and the state police informally agreed in 1982 that these vehicles do not require registration, but some local law enforcement agencies apparently still ticket vehicles which utilize these devices, assuming state law requires them to be titled and registered. The bill would clarify that these vehicles do not constitute a "trailer" as this is defined under the act, and would explicitly exempt them from registration and titling requirements. In addition, the bill would include both wreckers and buses under the International Registration Plan provisions, which the secretary of state says is merely a technical change since these types of vehicles currently may be registered under the IRP.

For:

The secretary of state currently may refund vehicle registration fees to persons in certain limited situations. These include instances when a driver has his or her license suspended, revoked or denied, when someone's spouse dies if the decedent had a vehicle registered, and

in a number of other circumstances. However, the act fails to address situations when someone pays to have a vehicle registration renewed, which can be done up to 45 days prior to the current registration's expiration, but then experiences some unforeseen situation involving the registered vehicle before the new registration period begins--for example, if the registered vehicle is stolen soon after renewal tabs are purchased. Under current law, this kind of unfortunate event, particularly when it involves a vehicle used for commercial purposes, can be very expensive since the vehicle owner cannot recover the registration fees even though the registration will not be used. The bill would establish other situations when a refund could be made (transfer of vehicle ownership, cancellation of lease, or if a vehicle was mistakenly registered as a fleet vehicle), and imposes other criteria that would have to be met in order for a person to obtain a refund. Allowing such refunds seems fair and reasonable, and the secretary of state says the change would result in perhaps only ten refunds annually at minimal expense to the Michigan Transportation Fund (into which registration fees are deposited).

POSITIONS:

The Department of State supports the bill. (2-8-96)

The Michigan Trucking Association supports the bill. (2-12-96)

The Department of State Police is not opposed to the bill. (2-13-96)

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