SENATE BILL NO. 695

October 30, 2025, Introduced by Senators CAMILLERI, SINGH and WOJNO and referred to Committee on Elections and Ethics.

A bill to amend 1949 PA 300, entitled

"Michigan vehicle code,"

by amending section 801j (MCL 257.801j), as amended by 2014 PA 171.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 801j. (1) Except as otherwise provided in subsection (6), in addition to the required vehicle registration tax under section 801(1)(p), a regional transit authority created under the regional transit authority act, 2012 PA 387, MCL 124.541 to 124.558, may charge an additional tax on vehicle registrations issued to residents of a public transit region of not more than $1.20 for each $1,000.00 or fraction of $1,000.00 of the vehicle's list price as used in calculating the tax under section 801(1)(p). The authority may charge the additional tax only upon the approval of a majority of the electors in a public transit region voting on the tax at an election held on the regular November election date as provided in section ~~641(1)(d)~~ **641** of the Michigan election law, 1954 PA 116, MCL 168.641.

(2) In addition to any other requirements imposed by law, the ballot question proposing authorization of the tax under subsection (1) ~~shall~~ **must** specify how the proceeds of the tax ~~shall~~ **must** be expended.

(3) The tax collected under this section ~~shall~~ **must** only be used by the regional transit authority for comprehensive transportation purposes as defined by law for purposes of section 9 of article IX of the state constitution of 1963.

(4) A proposal for a tax under this section ~~shall~~ **must** not be placed on the ballot under subsection (1) unless the proposal is adopted by a resolution of the board of directors of the regional transit authority and certified by the board of directors not later than 70 days before the election to the county clerk of each county within the public transit region for inclusion on the ballot.

(5) Except as otherwise provided in subsection (6), if a majority of voters in a public transit region approve a tax under subsection (1), no later than 1 year after voter approval, the secretary of state shall collect the tax on all vehicles registered to residents of the public transit region under section 801(1)(p) and ~~shall~~ credit the tax collected to the regional transit authority, minus necessary collection expenses as provided in section 9 of article IX of the state constitution of 1963.

Necessary collection expenses incurred by the secretary of state under this subsection ~~shall~~ **must** be based ~~upon~~ **on** an established cost allocation methodology.

(6) This section does not apply to a company test vehicle. As used in this subsection, "company test vehicle" means a vehicle that is owned by a manufacturer and that satisfies 1 or both of the following:

(a) The vehicle is part of a product testing program as defined by the United States department of treasury under treas. reg. 1.132-5(n)(2001).

(b) The vehicle is furnished by the manufacturer to an employee of the manufacturer for the purpose of testing, evaluating product quality and performance, reporting defects, or suggesting product or production improvements as an ordinary and necessary business expense of the manufacturer.

Enacting section 1. This amendatory act takes effect January 1, 2027.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. ____ (request no. S02806'25) of the 103rd Legislature is enacted into law.