



**House  
Legislative  
Analysis  
Section**

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**REG'N. FEE FOR WRECKERS**

House Bill 4059 as enrolled  
Second Analysis (2-1-94)

**Sponsor: Rep. Kirk A. Profit**  
**House Committee: Transportation**  
**Senate Committee: Transportation &  
Tourism**

***THE APPARENT PROBLEM:***

The Michigan Vehicle Code imposes various registration fees on different types of motor vehicles, based on a vehicle's empty weight, its list price or, in some cases, what it is used for. According to the secretary of state, under the act a "wrecker" traditionally has been understood to be a vehicle whose function is to carry and tow disabled vehicles. The definition is loose enough to cover a wide range of body styles. As towing needs have changed over the years so have the types of wreckers used, as they now encompass a wide range of styles and weights. Apparently, this has created confusion regarding how these vehicles should be registered, and caused some enforcement problems. Vehicles registered as towing vehicles pay either a gross vehicle weight (GVW) fee or an "empty weight" commercial vehicle fee. This has led to a situation where some vehicle owners pay an excessively large fee simply because of the vehicle's size while others pay a much smaller fee, even though both vehicles basically perform the same service. Reportedly, some people even have registered a standard "pick-up" truck for licensing and afterward converted it to a towing vehicle using special equipment, thereby avoiding having to pay a higher fee by not including the additional equipment in the calculation of the vehicle's GVW. The secretary of state believes these problems could be solved by specifically defining a "wrecker" in the act and imposing a flat-rate fee on all vehicles registered as wreckers under the act.

***THE CONTENT OF THE BILL:***

The bill would amend the vehicle code to impose a \$200 registration fee on a "wrecker," which under the bill would be defined as "a truck with a hoist, towing apparatus, or self-loading flatbed, or any combination of these items permanently affixed to the truck, used to transport not more than 2 vehicles." A wrecker, however, would not include a

motor vehicle equipped with a fifth wheel or one used to tow a second vehicle on a trailer. The act currently imposes a registration fee based on weight for each "road service vehicle designed and used to tow disabled vehicles;" the bill would delete this language.

MCL 257.801

***FISCAL IMPLICATIONS:***

According to the Department of State, as of February 1993 there were 5,065 wreckers registered with the department, at various weights and for different fees, which generated about \$885,000 in revenue in 1993. Assuming this many wreckers were registered under the bill at a flat fee of \$200, the bill would generate additional yearly revenue of \$128,000, or a total of \$1,013,000 annually. (5-28-93)

***ARGUMENTS:***

***For:***

The bill would correct an inequitable situation involving the registration of motor vehicles used to tow other vehicles, commonly known as "wreckers." The vehicle code currently provides that a vehicle used for towing purposes may be registered either according to its gross vehicle weight, or the owner may simply pay a fee based on the vehicle's use for commercial purposes. This has inadvertently led to a situation where owners of certain wreckers pay a registration fee of as much as \$1,400 annually while others pay much less, even though both perform the same function. (In some cases, vehicles paying a fairly small registration fee are capable of towing two vehicles while those that can only tow one have paid a much larger amount.) Moreover, the prospect of having to pay a high registration fee reportedly has prompted some people to have a vehicle registered before adding towing equipment

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that increases its weight and registration fee, thereby enabling them to avoid paying a higher fee. By imposing a \$200 fee across the board and specifically defining what constitutes a wrecker, the bill would ensure that all people who use vehicles as wreckers would have to pay the same reasonable fee, regardless of the vehicle's weight. The department apparently arrived at this fee level based on the average fee paid by owners of wreckers (\$173 in 1993).

***Response:***

Although the bill would correct the problem of inconsistent fees being imposed on wreckers, it would not solve problems related to enforcement of these vehicles. For instance, police officials still would have no way of knowing whether a pick-up truck outfitted with special towing equipment was properly registered as a wrecker. The bill should also require that such vehicles have a special sticker attached to their license plates identifying them as wreckers.