



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1035 (Substitute S-1 as reported)
Sponsor: Senator Mike Prusi
Committee: Transportation

Date Completed: 3-2-06

RATIONALE

Recently, there have been reports of law enforcement discrepancies related to vehicles hauling wood harvesting equipment. The Michigan Vehicle Code prescribes registration taxes, which the Secretary of State must collect, for different types of vehicles. For a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations, the tax is 74 cents per 100 pounds of empty weight of the vehicle. A wood harvester truck weighing 30,000 pounds, for example, would be subject to a tax of \$222.

Although a person hauling wood harvesting equipment is not specifically included in the statutory definition of "wood harvester", vehicles used for that purpose frequently are registered as wood harvester vehicles. Reportedly, in northern Michigan, law enforcement officers generally interpret the term "wood harvester" to include a person hauling wood harvesting equipment. In southern Michigan, however, the absence of the specific inclusion of equipment haulers leads some law enforcement officers to believe that those vehicles should be registered under Section 801(1)(k). (That section prescribes registration fees for trucks weighing 8,000 pounds or less towing a trailer or other combination of vehicles, and for trucks weighing 8,000 pounds or more, road tractors, and truck tractors.) The registration fees under Section 801(1)(k) range from \$491 to \$3,117, depending on the weight of the vehicle. Under this section, the fee for a 30,000-pound truck is \$649.

Apparently, some drivers transporting wood harvesting equipment in the southern part of the State have been cited for improper use

of the wood harvester license plate. To ensure that people hauling such equipment are treated the same throughout the State, it has been suggested that they be included explicitly in the definition of "wood harvester".

CONTENT

The bill would amend the Michigan Vehicle Code to include a person hauling and transporting wood harvesting equipment in the definition of "wood harvester" for the purposes of vehicle registration taxation.

The term "wood harvester" includes the person or persons hauling and transporting raw materials in the form produced at the harvest site. Under the bill, the term also would include the person or persons hauling and transporting wood harvesting equipment. The bill specifies that the term would not include a person or people whose primary activity is tree-trimming or landscaping.

Under the bill, "wood harvesting equipment" would include all of the following:

- A vehicle that directly harvests logs or timber, including a processor or a feller buncher.
- A vehicle that directly processes harvested logs or timber, including a slasher, delimeter, processor, chipper, or saw table.
- A vehicle that directly processes harvested logs or timber, including a forwarder, grapple skidder, or cable skidder.

- A vehicle that directly loads harvested logs or timber, including a knuckle-boom loader, front-end loader, or forklift.
- A bulldozer or road grader being transported to a wood harvesting site specifically for the purpose of building or maintaining harvest site roads.

Department of Transportation, based on its assumption that most of these trucks are currently registered as wood harvesters, the bill would have an immaterial impact on Michigan Transportation Fund revenue.

Fiscal Analyst: Bill Bowerman

MCL 257.801

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The differences in interpretation resulting from the current language sometimes produce questionable citations, which necessitate the expenditure of time and money on the part of both alleged violators and the Motor Carrier Division of the State Police to resolve. Additionally, a ticket issued under this provision of the Code potentially can result in a misdemeanor on a person's criminal record, even though it is not entirely clear that the person broke the law. The bill would eliminate any ambiguity as to whether a vehicle used to haul wood harvesting equipment should be registered as a wood harvester's vehicle, and eliminate geographic inconsistencies in law enforcement.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The extent to which trucks or truck tractors currently registered under MCL 257.801(1)(k) would qualify for a wood harvester plate under the bill is not determinable. (Section 801(1)(k) prescribes registration fees for trucks weighing 8,000 pounds or less towing a trailer or other combination of vehicles, and for trucks weighing 8,000 pounds or more, road tractors, and truck tractors.) To the extent that additional trucks or truck tractors qualified for a wood harvester registration, the bill would result in a revenue loss to the Michigan Transportation Fund (MTF). For example, a truck with an elected gross weight of 42,000 pounds would pay a registration tax of \$874 under MCL 257.801(1)(k). The same truck qualifying for a wood harvester registration would pay \$310.80. According to the Michigan

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.