



**House
Legislative
Analysis
Section**

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NEW GVW CLASS FOR TRUCKS

**House Bill 5159 with committee
amendment
First Analysis (10-17-95)**

**Sponsor: Rep. David Galloway
Committee: Transportation**

THE APPARENT PROBLEM:

At present, the Michigan Vehicle Code provides different gross vehicle weight (GVW) categories for commercial vehicle licensure in which the minimum elected GVW is 24,000 pounds, which includes the weight of the vehicle and its load. Thus, a trucker whose vehicle and load does not exceed 24,000 pounds would pay a fee of \$378. The next weight class ranges from between 24,001 pounds and 28,000 pounds. The current GVW system poses a problem for some truckers who wish to haul up to 26,000 pounds but choose not to due to federal licensing requirements that apply to vehicles licensed to haul over 26,000 pounds. Under federal rules for commercial vehicles, owners of trucks operated at more than 26,000 pounds GVW are subject to more stringent licensing standards than those operating at less than this: for example, they would need a commercial driver's license (CDL), be subject to the International Registration Plan, and--beginning January 1, 1996--would be subject to the International Fuel Tax Agreement. Thus, Michigan truckers who wish to haul no more than 26,000 pounds must elect to operate either in the first GVW category, which reduces their hauling capacity by 2,000 pounds and cuts into their profit margins, or in the second tier with its more costly licensure requirements. Some people believe the problem could be rectified simply by establishing another GVW category of between 24,001 pounds and 26,000 pounds, whose registration fee would be the same as that for the current second-tier GVW category.

THE CONTENT OF THE BILL:

Currently under the Michigan Vehicle Code, commercial vehicles weighing between 24,001 pounds and 28,000 pounds require a fee of \$429. The bill would establish a new GVW class for vehicles weighing between 24,001 pounds and 26,000 pounds, but would keep the registration fee for this new weight class the same as that for vehicles

weighing between 26,001 pounds and 28,000 pounds--that is, \$429.

MCL 257.801

FISCAL IMPLICATIONS:

The House Fiscal Agency says the bill would not affect state or local budget expenditures. (10-13-95)

ARGUMENTS:

For:

The bill simply would establish a second tier GVW weight category for commercial trucks weighing from 24,001 pounds to 26,000 pounds, whose registration fee would be the same as what currently applies to vehicles ranging from 24,001 pounds to 28,000 pounds. Thus, truckers who wished to haul up to 26,000 pounds GVW could buy a Michigan license enabling them to maximize their capacity without being subject to federal rules that kick in for vehicles licensed to haul over 26,000 pounds. Under Michigan's present licensing system, a trucker who wants to haul no more than 26,000 pounds GVW either must elect registration at 24,000 pounds GVW and forego 2,000 pounds in carrying capacity, or elect at the second GVW tier and be subject to federal CDL licensure requirements and international law governing registration and fuel taxes--a cost prohibitive choice.

POSITIONS:

The Department of State supports the bill. (10-12-95)

The Michigan Trucking Association supports the bill. (10-16-95)

The Department of State Police is not opposed to the bill. (10-16-95)

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