

Legislative Analysis



MILITARY SURPLUS VEHICLE AS HISTORICAL VEHICLE

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 1040 as enrolled
Sponsor: Sen. Hoon-Yung Hopgood
House Committee: Transportation and Infrastructure
Senate Committee: Transportation
Complete to 2-4-19

Analysis available at
<http://www.legislature.mi.gov>

(Vetoed by the Governor 12-28-18)

SUMMARY:

Senate Bill 1040 would amend the Michigan Vehicle Code to expand the definition of historical vehicle to include a *military surplus vehicle* that is over 25 years old.

The Code currently defines historic vehicle as a vehicle that is over 25 years old and that is owned solely as a collector's item, including participation in club activities, parades, exhibitions, and the like, but is not used for general transportation.

The bill would define *military surplus vehicle* as a high-mobility multipurpose wheeled vehicle or a motor vehicle manufactured for military use that was made by or under the direction of the United States Armed Forces or the armed forces of any other country and was subsequently authorized for sale to civilians. Military surplus vehicle would not include a tracked vehicle or a half-tracked vehicle.

The bill would take effect 90 days after being enacted into law.

MCL 257.20a

FISCAL IMPACT:

The fiscal impact of including these vehicles under the historic registration categories would depend on whether any of these vehicles are currently registered and pay registration tax under Section 801 of the Michigan Vehicle Code. If military vehicles are currently registered under the ad valorem or weight based registration categories of Section 801, classifying military vehicles over 25 years old as historic vehicles could result in a marginal loss in registration tax revenue. If these vehicles are currently unregistered, including them in the historic registration categories could result in a nominal increase in registration tax revenue. Registration tax revenue is deposited into the Michigan Transportation Fund. Money in the fund is directed to local road agencies, public transportation, and various state offices to support road maintenance and other purposes.

The other factor affecting the registration category for these vehicles is whether they are used only for club activities, exhibitions, tours, parades, and similar uses, or whether they are used for general transportation.

Section 801 of the Michigan Vehicle Code establishes registration taxes for most motor vehicles. The classification of a vehicle as a *historic vehicle* affects the registration taxes assessed on the vehicle. Section 801(6) indicates that "this section [i.e., the section of the

Michigan Vehicle Code that establishes vehicle registration taxes] does not apply to a historic vehicle.” This explicit exemption was added by 2012 amendment, Public Act 498 of 2012.

The Michigan Vehicle Code provides for two kinds of historic registration plates:

Department-issued plates – Section 803a of the Michigan Vehicle Code authorizes the Secretary of State to issue a registration with the designation “historic vehicle.” The registration fee is \$30.00 and is valid for ten years. The plate is transferable with payment of an \$8.00 transfer fee.

In April 2014, Secretary of State records identified 74,115 registrations under this category.

Authentic historic plates – Section 803p allows owners of historic vehicles to use plates issued in the same year as the vehicle’s model year. The act allows the owner to purchase a plate from someone else (e.g., from a yard sale or secondhand store), restore it, and use it as a valid Michigan registration plate. The registration fee for these plates is \$35.00 and is effectively permanent with respect to the owner—the plate is valid until the vehicle is sold to another owner.

As of April 2014, there were 53,219 authentic historic plates in the Secretary of State system.

The Department of State’s website (accessed December 12, 2018) states: “Since 1956, the state has issued historic and authentic license plates for antique vehicles used in parades, fairs, car shows, swap meets and other events.” And mirroring the definition of Section 20a (“not used for general transportation”), the department’s website also indicates “A vehicle registered with a historical or authentic plate cannot be used for routine, day-to-day transportation.” It is not clear to what extent police agencies enforce these limitations.

Vetoed 12-28-18:

In his veto message, Governor Snyder wrote, “Were this bill to take effect, vehicles that were never manufactured or intended for on road passenger use could be registered and permitted on public streets and roads. I do not believe that it is appropriate for such vehicles to be registered for anything other than off-road purposes.”

Legislative Analyst: E. Best
Fiscal Analysts: William E. Hamilton
Michael Cnossen

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