



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 374 (as introduced 5-10-17)
Sponsor: Senator Wayne Schmidt
Committee: Transportation

Date Completed: 5-17-17

CONTENT

The bill would amend the Michigan Vehicle Code to require the Department of State to use a digital printing method to create all standard design registration plates.

The Department must offer a standard design registration plate that complies with the requirements of the Code. The standard design plate must be of a common color scheme and design that is made of fully reflectorized material and must be clearly visible at night.

Under the bill, no later than January 1, 2018, the Department would have to use a digital printing method to create all standard design registration plates. "Digital printing method" would mean a method of creating a registration plate using a retroreflective sheeting material that is printed using UV-curable ink-jet technology to achieve the highest quality and speed of printing.

The bill would take effect 90 days after it was enacted.

MCL 257.224

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a significant fiscal impact on the Department of State. The Department estimates the total costs to implement the proposed requirement at \$4.8 million. The figure is based on an average of 2.5 million new or reissued license plates annually.

The bill would create an estimated initial cost of \$1.8 million to purchase the new hardware that would be needed to produce license plates using a digital printing method, as the bill would require. Additionally, the bill would raise the per-plate manufacturing cost by 66%, according to the Department. (Current costs are an estimated \$1.80 per plate versus an estimated cost of \$3.00 per plate under the proposed legislation.) This would increase the production costs for the Department by an estimated \$3.0 million annually.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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