

Legislative Analysis



DIGITAL PRINTING VEHICLE REGISTRATION PLATES AND 8 YEAR EXPIRATION DATE

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House Bill 4633

Sponsor: Rep. Wayne Schmidt

Committee: Transportation and Infrastructure

Complete to 5-15-13

A REVISED SUMMARY OF HOUSE BILL 4633 AS INTRODUCED 4-25-13

The bill would amend the Michigan Vehicle Code (MCL 257.224) to require that the Michigan Department of State use a digital printing method to create all standard design registration plates, not later than January 1, 2015. The term "digital printing method" would be defined to mean a method of creating a registration plate using retroreflective sheeting material printed digitally using thermal transfer ribbons laminated to an aluminum substrate.

Beginning January 1, 2015, a registration plate issued by the department would expire eight years after the date it was issued. The vehicle owner whose registration plate expired would need to obtain a replacement registration plate upon payment of the fee required under the Code. However, the vehicle owner could request the department to issue a new plate with the same registration number as displayed on the expired plate upon payment of a \$10.00 fee.

FISCAL IMPACT:

The bill appears to have two primary fiscal impacts.

Digital Printing Method – the bill would require the Michigan Department of State, not later than January 1, 2015, to use a digital printing method to create all standard design registration plates. It is not clear if this provision requires the department to reissue registration plates at that time, or if it merely defines the printing method required for all plates the department, in its discretion, may issue.

According to the Department of State (DOS), House Bill 4633 would have a negative fiscal impact on the DOS. Currently, Michigan State Industries (MSI), a private self-sufficient enterprise, is under contract with the Department of Corrections to manufacture registration plates at the Gus Harrison Correctional Facility, located in Adrian, via an aluminum stamping and reflectorized process. House Bill 4633 would require MSI to produce registration plates via thermal transfer ribbons laminated to an aluminum substrate no later than January 1, 2015. This would substantially increase the amount of money MSI charges the DOS for each registration plate in order to recoup the capital investments to purchase new machinery. Furthermore, the DOS would encounter significant (re)programming costs to change how it orders registration plates from MSI.

Eight Year Registration Plates – House Bill 4633 also indicates that, beginning January 1, 2015, a registration plate issued by the department under Section 224 would expire eight years after the date the plate was issued. Currently, registration plates are valid until such time as they become illegible and are ticketed by law enforcement.

The bill provides for the payment of a registration service fee under Section 804 (\$5.00) for replacement of the expired plate. The bill also provides for a \$10.00 fee if the owner requested the same registration plate number as the expired registration.

The department last implemented a general reissue of standard registration plates in 2007 as a result of the provisions of 2006 PA 177. At that time, Public Act 177 prohibited the department from issuing standard beads-on-paint plates, or tabs for standard beads-on-paint plates, but instead required the department to issue reflectorized plates. These provisions effectively required the department to reissue all standard plates. The costs of the reissue were supported by an \$11.0 million supplemental appropriation from the Michigan Transportation Fund.

House Bill 4633 would not require a general reissue of registration plates but would instead require the issuance of a new registration plate, beginning January 1, 2015, only after the eight-year expiration date. The department indicates that the costs of the rolling plate reissue would be covered through the service fees provided under Section 804.

As noted above, House Bill 4633 indicates that a "registration plate" expires ten years after the date it was issued. This provision appears to conflict with Section 226 of the Michigan Vehicle Code which currently indicates that a vehicle registration expires on the owner's birthday. The intention of this amendment appears to be to require the reissuance of the metal plate after ten years, and not to establish a ten-year registration. However, Section 50 (MCL 257.50) defines "registration" to mean, in effect, the registration plate: "*Registration' means a registration certificate, plate, adhesive tab, or other indicator of registration issued under this act for display on a vehicle.*"

<http://legislature.mi.gov/doc.aspx?mcl-257-50>

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