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Senate Bill 464 (Substitute S-2 as reported)  
Sponsor: Senator Mallory McMorrow  
Committee: Transportation and Infrastructure

### **CONTENT**

The bill would amend the Michigan Vehicle Code to require the Secretary of State (SOS) to develop and issue two legacy registration plates for which an applicant would have to pay two fees in addition to the registration fee required by the Code.

MCL 257.803r et al.

### **BRIEF RATIONALE**

According to testimony before the Senate Committee on Transportation and Infrastructure, specialty license plates are popular among car enthusiasts and a useful tool for generating revenue. For example, in December 2021, the SOS brought back the Water-Winter Wonderland registration plate, which was originally in use from 1965 to 1967. As of July 20, 2023, 880,000 vehicles used this style of plate, generating new revenue through an additional \$5 fee.<sup>1</sup> Accordingly, it has been suggested that the State revive other popular plates.

### **PREVIOUS LEGISLATION**

*(Please note: This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)*

The bill is a reintroduction of Senate Bill 45 of the 2021-2022 Legislative Session.

Legislative Analyst: Abby Schneider

### **FISCAL IMPACT**

While the bill would allow the Department of State to charge a \$5 service fee upon issuance of the proposed legacy registration plates, the bill would create some indeterminate costs for the Department associated with the development and issuance of the proposed legacy registration plates. The amount of revenue raised for the Transportation Administration Collection Fund (TACF) and the Michigan Transportation Fund (MTF) would depend on the number of legacy registration plates manufactured and issued, which would be determined by the SOS.

The Department could charge a \$5 service fee to reflect the actual cost of developing, issuing, and otherwise administering a legacy registration plate. The revenue from this service fee would be deposited into the TACF to fund departmental costs and would depend on the number of specialty plates actually issued.

Additionally, the bill would require the payment of an additional \$50 fee per plate, to be deposited into the MTF. Upon renewal of a legacy registration plate, an additional \$10 fee

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<sup>1</sup> Mencarini, Matt, "Throwback license plate is gaining popularity. Here's where it ranks among Michigan's options", *Lansing State Journal*, July 20, 2023.

would be collected, also deposited into the MTF. The bill is silent on the allowable uses of the revenue from this additional fee.

The \$5 service fee and the additional \$50 fee would be one-time charges only paid upon initial issuance of a legacy plate and would be in addition to normal registration fees based on the vehicle. Renewal fees and the \$10 fee would be charged in subsequent years for renewal of a legacy registration plate, with the additional \$10 fee at renewal deposited into the MTF. The amount of deposit would depend on how many specialty plates ultimately were renewed.

Finally, the Department likely would incur additional costs for reprogramming the CARS management system to incorporate the new legacy registration plates. The cost is indeterminate and would depend on the amount of software updates required, which could require additional appropriations.

*(For comparison, the State's newest plate, the Water Winter Wonderland plate, has sold over 1.1 million units since it was first issued in 2022. This plate does not require the additional \$50 fee that would be required for the proposed legacy plates, thus it is unknown what effect the additional \$50 fee would have on the number of units ultimately sold.)*

Date Completed: 9-21-23

Fiscal Analyst: Joe Carrasco, Jr.

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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.