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Senate Bill 464 (as introduced 8-24-23)
Sponsor: Senator Mallory McMorrow
Committee: Transportation and Infrastructure

Date Completed: 9-11-23

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.

Specifically, not later than 90 days after the bill's enactment, the SOS would have to develop and issue two legacy registration plates as follows:

- A black registration plate that replicated a registration plate issued by the State from 1979 to 1983, as determined by the SOS (see **BACKGROUND**).
- A blue registration plate that replicated a registration plate issued by the State from 1983 to 2007, as determined by the SOS (see **BACKGROUND**).

To apply for a legacy registration plate under the bill, an individual would have to apply to the SOS in accordance with current registration requirements.¹ In addition to the regular registration fee, each individual would have to submit with the individual's application the following:

- A service fee in an amount determined by the SOS to reflect the actual cost of developing, issuing, and administering a legacy registration plate to be deposited in the Transportation Administration Collection Fund (TACF).
- An additional fee of \$100 to be deposited in the Michigan Transportation Fund.

The Department of State may expend money from the TACF, upon appropriation, to pay the collection expenses incurred by the Department in the administration and enforcement of the sections of the Michigan Vehicle Code concerned with registration fees, certificates of title, dealer's license and liens, and preparation and sale fees for lists of information, and for commercial look-up requests for records under a variety of Acts, including snowmobile, watercraft, and off-road vehicle records. The Fund also may be used to reduce the costs of collecting motor fuel taxes.

Money from the Michigan Transportation Fund may be spent on appropriation for the necessary expenses incurred by the respective department or commission in the administration and enforcement of the Motor Fuel Tax Act, the Motor Carrier Act, and the sections of the Michigan Vehicle Code concerned with registration fees, certificates of title, and dealer's license and liens.

Under the bill, the SOS would have to determine the number of each legacy registration plate to be manufactured and issued. The SOS could cease to issue legacy registration plates as necessary and duplicate replacements of legacy registration plates for use on vehicles. If the

¹ For more information, see MCL 257.217.

SOS ceased issuing these plates, it could continue to renew plates already issued. The service fee and additional fee required under the bill could not be charged in connection with an application for a renewal tab for an existing legacy registration plate. A legacy registration plate would expire on the owner's birthday.

Additionally, the Code requires the SOS to deposit service fees collected on special registration plate transactions into the TACF through October 1, 2023. The bill would delete this requirement's sunset.

MCL 257.803r et al.

BACKGROUND

The following is an example of a Michigan registration plate from 1979-1983:



The following is an example of a Michigan registration plate from 1983-2007:



(These images were sourced from the Wikipedia article, "Vehicle registration plates of Michigan." The first was submitted by a private user).

Legislative Analyst: Abby Schneider

FISCAL IMPACT

While the bill would allow the Department of State to charge a 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 Department would be allowed to charge a service fee in an amount determined by the SOS to reflect the actual cost of developing, issuing, and otherwise administering a legacy registration plate. The Department has indicated this fee likely would be \$5 per plate, the rate currently charged for other specialty registration plates. The revenue from this service fee would be deposited into the TACF to fund departmental costs. Additionally, the bill would

require the payment of an additional \$100 fee per plate, to be deposited into the Michigan Transportation Fund. The bill is silent on the allowable uses of the revenue from this additional fee. Both the \$5 service fee and the additional \$100 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 particular vehicle. Only normal renewal fees would be charged in subsequent years for renewal of a legacy registration plate.

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 dependent on the amount of software updates required, which could require additional appropriations.

(For comparison purposes, 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 \$100 fee that would be required for the proposed legacy plates, thus it is unknown what effect the additional \$100 fee would have on the number of units ultimately sold.)

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.