



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 716 (as passed by the Senate)
Sponsor: Senator Veronica Klinefelt
Committee: Transportation and Infrastructure

Date Completed: 4-4-24

RATIONALE

Under the Michigan Vehicle Code, many vehicles are eligible for personalized license plates: passenger motor vehicles, pick-up trucks, motorcycles, motor homes, buses, hearses, and more. According to testimony before the Senate Committee on Transportation and Infrastructure, historic vehicle owners may desire the opportunity to personalize their license plates. Accordingly, it has been suggested that the Code be amended to provide for personalized historic vehicle plates.

CONTENT

The bill would amend the Michigan Vehicle Code to allow an owner of a historic vehicle to apply for and receive a personalized license plate upon paying a \$150 registration fee.

The bill would take effect one year after its enactment.

Under the Code, "historic vehicle" means a vehicle that is over 25 years old and that is owned solely as a collector's item and for participation in club activities, exhibitions, tours, parades, and similar uses, including mechanical testing, but is not used for general transportation.¹

The Code allows the Secretary of State (SOS) to issue to the owner of a historic vehicle a historic vehicle registration plate.² Upon applying for a historic vehicle registration plate, the owner of a historic vehicle must pay a \$30 fee and certify the following:

- That the vehicle for which the registration is requested is owned and operated solely as a historic vehicle.
- That the vehicle has been inspected and found safe to operate on the highways of the State.

Under the bill, the owner of a historic vehicle also could apply for a registration plate with a personalized sequence of numbers and letters. The fee for this personalized registration plate would be \$150.

MCL 257.803a & 257.803b

BACKGROUND

Generally, a personalized plate may not duplicate another registration plate. The sequence

¹ An exhibition occurs during the month of August.

² The owner of a historic vehicle also may register an authentic historic license plate with the SOS. This plate must be an original from the same year as the historic vehicle's model year. The fee for registering such a plate is \$35. The registration is valid until the vehicle is sold, transferred, scrapped, or modified.

of letters or numbers or combination of letters and numbers on a personalized plate cannot be given to a different person in a subsequent year unless the person to whom the plate was issued does not reapply before the expiration date of the plate.

An application for an original personalized registration plate must be accompanied by an \$8 service fee for the first month and \$2 per month for each additional month of the registration period, in addition to the regular vehicle registration fee.³ An application for the *renewal* of a personalized registration plate must be accompanied with payment of a service fee of \$15 in addition to the regular vehicle registration fee.⁴

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Historic vehicle owners, like other vehicle owners, contribute to the State's economy and should be allowed the same opportunity to personalize a vehicle license plate. By purchasing personalized plates, historic vehicle owners would generate revenue for the State, further benefiting residents.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would provide for the issuance of personalized plates for a historic vehicle, which currently is not allowed. The bill would require the payment of a \$150 fee for a personalized historic vehicle plate that would be valid for 10 years. Non-historic vehicle plates currently must pay up to \$30 (prorated at \$8 for the first month and \$2 for each month remaining in the registration period) for a personalized plate registration (good for one year) with a \$15 renewal rate for each subsequent year. The bill proposes a \$150 fee for personalized historic vehicles for the 10-year period. The Department of State has indicated that the \$150 service fee is intended to cover most of the service fees over the 10-year period as those service fees are estimated at \$143 to \$165 depending on how many months remain in the current registration period for the historic vehicle at the time of the purchase of the personalized plate. The amount of revenue to be received from the proposed \$150 service fee is indeterminate and would depend on the number of historic vehicles that applied for a personalized plate.

The revenue from the service fees for personalized plates must be deposited into the Michigan Transportation Fund (MTF) for road and bridge repairs. Additionally, up to \$20.0 million from the MTF may be allocated to the Department of State for necessary expenses incurred for enforcement of the Michigan Vehicle Code.

The bill would not have any fiscal impact on local governments.

Fiscal Analyst: Joe Carrasco, Jr.

³ These service fees, as well as service fees for a second duplicate registration plate, must be deposited in the Transportation Administration Collection Fund through October 1, 2027.

⁴ This service fee must be deposited in the MTF.

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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.