



**House
Legislative
Analysis
Section**

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**NONPROFIT, COMMEMORATIVE
LICENSE PLATES**

**House Bill 4369 as enrolled
Public Act 129 of 1995
Second Analysis (7-25-95)**

**Sponsor: Rep. Frank M. Fitzgerald
House Committee: Transportation
Senate Committee: Transportation and
Tourism**

THE APPARENT PROBLEM:

Current law allows for certain nonprofit organizations to be eligible for the state "Y" license plate (nonprofit organization license plate). By qualifying for these special plates, such groups are able to save funds that otherwise would be paid for license plates, and use the savings for their nonprofit activities. Some people believe nonprofit organizations involved in recycling activities should also be able to qualify for the "Y" license plate.

In a related matter, with the 100-year anniversary of the introduction of the automobile manufacturing process to occur next year, some people believe it would be appropriate for the state to offer a special "commemorative" license plate that people could buy to recognize the event. The Department of State has requested amendments that would authorize it to provide for just such a plate and to charge a \$5 service fee (above the regular plate fee) for it, which would basically cover the department's costs to manufacture and distribute it.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to include vehicles owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization, until December 31, 2000, among the vehicles eligible for special registration plates that cost \$10 and are valid for five years. Currently, these plates may be purchased by various nonprofit groups and the civil air patrol. The bill would define "nonprofit recycling center" as a nonprofit facility designed and operated solely for receiving, storing, processing, and transferring source-separated recyclable materials--such as paper, metal, glass, food waste, office paper, and plastic kept separate from

residential, commercial, and institutional solid waste by the generator of the waste--for the purposes of collection, disposition, and recycling.

The bill also would permit the secretary of state to provide a commemorative plate, to honor a special or historical event, as a replacement plate for a standard plate. In addition to any other fees required under the act, a \$5 service fee would have to be paid with each application for a distinctive or commemorative plate to cover manufacturing or issuance costs unless they otherwise were specifically provided for in the act.

MCL 257.224 et al.

FISCAL IMPLICATIONS:

The Senate Fiscal Agency reports that allowing nonprofit vehicles to qualify for \$10 plates would cause a revenue loss to the Michigan Transportation Fund, the amount of which would depend on the number of vehicles that qualified for the plate. The average annual cost of registration plates is \$50.38 for passenger vehicles and \$96.11 for trucks. (Vehicles that qualified for the special plate would pay \$10 for a five-year registration.)

The Senate Fiscal Agency also says language that would authorize a \$5 fee to be paid for a commemorative plate would generate additional state revenue to cover the cost of manufacturing and issuing the plates based on demand. (It should be noted that the general government appropriations bill, enrolled Senate Bill 298, includes \$3.678 million in estimated revenue for sales of commemorative plates.) (5-30-95)

House Bill 4369 (7-25-95)

ARGUMENTS:

For:

The Michigan Vehicle Code currently provides for the issuance of special vehicle license plates for vehicles owned by the civil air patrol and for those owned and used by nonprofit organizations in their work, such as for children's and educational groups, veterans groups, and various charitable groups. Giving these groups access to the so-called "Y" plate (which costs \$10) enables them to use money that otherwise would be spent on regular license plates for their nonprofit work. The bill would add nonprofit recycling centers and federally recognized nonprofit conservation organizations to the list of groups that qualify for the plates. (The bill, however, includes a sunset date for "recycler" plates of December 31, 2000.) For many of these organizations, savings from being able to use the "Y" plate would amount to hundreds, even thousands, of dollars annually. Nonprofit recycling and conservation groups use vehicles, including large trucks and trailers, as an integral part of their operations in collecting and transporting recyclable materials, and very often may be the only such groups performing this function in a given area. Furthermore, the general public benefits from their activities. And though the bill would have a significant fiscal impact on each individual nonprofit recycling and conservation group in the state, which generally operate on strict budgets, it would result in only a minimal loss of funds for the Michigan Transportation Fund.

For:

The bill would authorize the secretary of state to provide for the issuance of a special "commemorative" plate in order to celebrate, for instance, the 100-year anniversary of automobile manufacturing--which, of course, began in Michigan--slated for 1996. Purchase of the plate would be entirely optional, and those interested in it would merely have to pay a \$5 service fee, in addition to the normal plate fee, which would be used to defray the department's costs to manufacture and distribute it. The department also says it believes such a plate could easily be used to commemorate other important events in Michigan history.