



**House
Legislative
Analysis
Section**

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VANITY PLATE RENEWAL FEE

**House Bill 5265 with committee
amendments
First Analysis (12-5-95)**

**Sponsor: Rep. Terry London
Committee: Transportation**

THE APPARENT PROBLEM:

Since 1972, Michigan law has authorized the secretary of state to issue what are known as vanity vehicle registration plates, which may contain a unique combination of letters and numbers to convey some personal message. When the vanity plate program first began, the secretary of state was required to issue two regular license plates to all drivers, and this policy was also followed for issuing vanity plates. In 1981, to save the state money, Michigan law was amended to provide for the issuance of only one regular license plate, where the driver must renew the plate annually by buying and attaching to it a special tab issued by the secretary of state; then in 1993, Public Act 295 established a similar tab renewal system for the vanity plate. Under Public Act 295, a driver who owned two vanity plates prior to its passage is required to pay the same \$25 renewal fee, even though he or she now receives only a renewal tab for attaching to one plate. (However, if a person buys a new plate for \$30, he or she can buy a second new plate for \$5.) Because the Department of State has received numerous complaints about this change, it has requested legislation that would lower the fee for a renewal tab for a vanity plate from \$25 to \$15.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to reduce the renewal fee for a vanity plate from \$25 to \$15.

MCL 257.803b

FISCAL IMPLICATIONS:

The Department of State estimates there are currently about 21,000 people who own a vanity plate. Thus, it calculates the bill would result in a loss of revenue to the Michigan Transportation Fund, into which vanity plate renewal fees are deposited, of about \$210,000 annually. (12-1-95)

ARGUMENTS:

For:

The bill would reduce the fee for renewing a vanity plate from \$25 to \$15 at the request of the secretary of state. Apparently, after Public Act 295 was enacted in 1993, people who had been accustomed to paying \$25 and receiving two new vanity plates are upset about the fact that, now, they must pay the same amount but get only a renewal tab for attaching to the old plate. (Before PA 295, people were issued two new vanity plates either when they originally applied for them or renewed, even though Michigan law required only one of them to be used on the vehicle.) The secretary of state believes the best way to resolve the problem would be to lower the renewal fee from \$25 to \$15.

POSITIONS:

The Department of State supports the bill. (12-1-95)

House Bill 5265 (12-5-95)

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.