



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

**BILL ANALYSIS**



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 5265 (as reported without amendment)  
 Sponsor: Representative Terry London  
 House Committee: Transportation  
 Senate Committee: Transportation and Tourism

Date Completed: 3-1-96

**RATIONALE**

Since 1972, Michigan law has authorized the Secretary of State to issue personalized vehicle registration plates, known as "vanity plates", which may contain a unique combination of letters and numbers. At the time the vanity plate program began, the Secretary of State was required to issue two regular plates to all drivers, and this policy was extended to vanity plates. To save the State money, the law was modified in 1981 to provide for the issuance and display of a rear plate only. Although that change also applied to vanity plates, according to the Department of State, the Department again was required, in 1982, to issue two vanity plates even though drivers had to display only one. This was considered an unnecessary expense both to drivers and to the State. As a result, Public Act 295 of 1993 amended the Michigan Vehicle Code to require the Secretary of State to issue only one vanity plate to a person after he or she paid a service fee (in addition to the regular registration fee) of \$8 for the first month and \$2 for each additional month of the registration period (plus \$5 if someone wants two plates). Public Act 295 also instituted a tab renewal system for vanity plates, like the system already in place for regular plates. (Previously, drivers paid \$25 for two new plates each year.) A person now may renew a vanity plate by paying \$25 in addition to the regular registration fee. Since drivers now receive only one new tab, rather than two new plates, the Department has received numerous complaints about the \$25 renewal fee. It has been suggested that this fee be reduced.

**CONTENT**

The bill would amend the Michigan Vehicle Code to decrease the service fee for the renewal of a personalized registration plate from \$25 to \$15.

MCL 257.803b

**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**

Since Public Act 295 of 1993 was enacted, people who were accustomed to paying \$25 and receiving two new vanity plates still must pay \$25 but now receive only one renewal tab to attach to their existing plate. This apparently has generated considerable consumer unhappiness, which the bill would resolve.

Legislative Analyst: S. Margules

**FISCAL IMPACT**

The bill would result in an annual loss to the Michigan Transportation Fund (MTF) of approximately \$210,000. Based on the current formula for the distribution of MTF revenue contained in Public Act 51 of 1951, the loss would be distributed as follows:

Comprehensive Transportation	\$21,000
State Trunkline	73,900
County Road Commissions	73,900
Cities and Villages	41,200

Fiscal Analyst: B. Bowerman

H9596\S5265A

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.