



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 374 (as reported without amendment)
Sponsor: Senator Wayne Schmidt
Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to require the Department of State, by January 1, 2018, to use a digital printing method to create all standard design registration plates.

"Digital printing method" would mean a method of creating a registration plate using a retroreflective sheeting material that is printed using UV-curable ink-jet technology to achieve the highest quality and speed of printing.

MCL 257.224

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a significant fiscal impact on the Department of State. The Department estimates the total costs to implement the proposed requirement at \$4.8 million. The figure is based on an average of 2.5 million new or reissued license plates annually.

The bill would create an estimated initial cost of \$1.8 million to purchase the new hardware that would be needed to produce license plates using a digital printing method. Additionally, the bill would raise the per-plate manufacturing cost by 66%, according to the Department. (Current costs are an estimated \$1.80 per plate versus an estimated cost of \$3.00 per plate under the proposed legislation.) This would increase the production costs for the Department by an estimated \$3.0 million annually.

The bill would have no fiscal impact on local government.

Date Completed: 5-25-17

Fiscal Analyst: Joe Carrasco