



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5426 (Substitute S-3 as reported)
Sponsor: Representative Beverly Bodem
House Committee: Conservation, Environment and Great Lakes
Senate Committee: Transportation and Tourism

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- Require the Secretary of State to develop an environmental quality registration plate, and permit the Secretary of State, beginning January 1, 1998, to issue this plate to be used on certain motor vehicles instead of a standard registration plate.
- Establish service fees that would have to be paid in addition to the regular vehicle registration tax. The fees would be \$3 for the first month and \$2 for each additional month of the registration period for an original environmental quality registration plate; and \$15 for a renewal of this plate.
- Create the "Watershed Protection Fund" and require service fees generated from the sale of the environmental quality registration plates to be deposited in this Fund for uses specified in the bill, including the development and implementation of a watershed plan to assist in pollution protection on a watershed basis.

Proposed MCL 257.811d

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would result in indeterminate additional revenue to the Department of Environmental Quality for watershed protection programs, dependent upon the number of environmental quality registration plates sold. Department of State costs would be covered by a portion of the additional fee, depending on actual production costs and volume sold.

When introduced last January, the Department of Natural Resources estimated that the bill would generate an additional \$1 million annually. This estimate assumed the sale of 50,000 plates, or less than 1% of the 5.9 million registered vehicles in the State. As a reference, the sale of wildlife-oriented license plates in other states has generated between \$4,000 and \$5.5 million, with plate fees ranging from \$17 to \$50 (averaging \$29), and demand ranging from less than 1% to almost 16% of passenger vehicle registrations. Similar data on environmental license plates are not available at this time. However, the wide range in participation rates in other states suggests that potential revenues could be as low as \$240,000 to over \$18 million.

Date Completed: 9-26-96

Fiscal Analyst: B. Bowerman
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