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TEMPORARY PRODUCER PLATES

Senate Bill 1324 as passed by the Senate
First Analysis (10-4-00)

Sponsor: Sen. Shirley Johnson
House Committee: Transportation
Senate Committee: Transportation and Tourism

THE APPARENT PROBLEM:

The Michigan Vehicle Code currently allows vehicle manufacturers to register and operate or move vehicles on the streets or highways of this state in order to transport or test them. These plates allow manufacturers to drive test or developmental vehicles in real-world conditions in order to evaluate the performance or effectiveness of a part, system or vehicle. The plates are good for three years and are not vehicle specific - that is, the manufacturer may use them on one vehicle one week and another vehicle the next week, as long as the operation of the vehicle meets the criteria in the code (a vehicle may be operated on a street or highway solely for the purpose of transporting or testing or in connection with a golf tournament or a public civic event).

Over the last few years, the automobile industry has undergone a significant change in the way vehicles are developed and manufactured. The vehicle manufacturers have increased their reliance on smaller companies to develop and produce a wide variety of parts and systems that had previously been the sole province of the manufacturers themselves. Some of these suppliers are starting to build complete vehicle systems and modules in order to market fully integrated products instead of individual parts. With this change has come an increased need for these suppliers to be able to carry out the same sort of real-world testing that has long been performed by the manufacturers. Legislation has been introduced to provide the opportunity for suppliers to obtain the same type of plates for use on test vehicles as manufacturers.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Vehicle Code to permit the operation of a vehicle with a special plate in order to transport or test a sub-component system.

Specifically, the bill would allow a recognized producer or a producer under contract with a

manufacturer of a sub-component system for a motor vehicle that was essential to the vehicle's operation or the safety of an occupant of the motor vehicle, to operate or move a motor vehicle on a street or highway solely to transport or test the sub-component if the motor vehicle displayed, in the manner prescribed in Section 225 of the Code, one special plate approved by the secretary of state.

(Section 225 requires a registration plate for a vehicle to be attached to the rear of the vehicle, except that a plate issued for a truck tractor or road tractor must be attached to the front of that vehicle. The section also prescribes how the plate must be fastened to a vehicle.)
MCL 257.244

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill would have no fiscal impact. (9-28-00)

ARGUMENTS:

For:

With the automobile industry's increasing reliance on suppliers that are independent of the major manufacturers, these suppliers are finding that they need the same testing opportunities that are currently offered to the manufacturers. Because these suppliers are providing larger and more complex parts of product development and manufacture, the opportunity to perform on-the-road tests is of immense importance. The manufacturer-type plates are useful because they can be used on vehicles that do not have vehicle identification numbers and because they are transferable to different vehicles owned by the supplier. The bill will allow these suppliers a better opportunity to perform real-life tests on the products they develop. This will mean that the suppliers will be better able to provide better products to the manufacturers. And the

manufacturers will, in turn, be able to produce better vehicles.

Against:

The bill could provide some reason for concern if it were to lead to a huge influx of suppliers' test vehicles on the roads of this state.

POSITIONS:

The Department of State support the bill. (10-4-00)

Representatives from Visteon Corporation (9-20-00) and Delphi Automotive Systems (8-22-00), two automotive suppliers that would be able to obtain the licenses as proposed in the bill, submitted letters supporting the bill.

Analyst: W. Flory

#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.