

## DEALER PLATE FEES

### House Bill 5362 with committee amendment First Analysis (4-10-02)

**Sponsor: Rep. Paul Gieleghem**  
**Committee: Commerce**

#### ***THE APPARENT PROBLEM:***

The Michigan Vehicle Code requires vehicle dealers to pay a fee when obtaining special dealer plates. The first three plates cost \$15 each and each subsequent plate costs \$8 per plate. The Department of State says that dealers often apply for these plates when obtaining the initial business license from the department and often miscalculate the amount of the total dealer plate fees owed. This means that the department has to refund excess fees or request additional fees. The department says this could be avoided, and the dealer plate process made generally simpler, if the same fee was due for each plate.

#### ***THE CONTENT OF THE BILL:***

The bill would amend the Michigan Vehicle Code to specify that the fee charged by the secretary of state for special license plates issued to manufacturers, dealers, and transporters of vehicles would be \$10 per special plate. The secretary of state, as now, would be required to determine the number of special plates reasonably needed by a manufacturer, dealer, or transporter. The bill would take effect July 1, 2002.

The code currently provides for a fee of \$30 for two plates; \$15 for the third plate; and \$8 each for additional plates.

MCL 257.803

#### ***FISCAL IMPLICATIONS:***

The Department of State says the bill would result in a slight increase in revenue. Last year, says the department, 65,732 dealer plates were sold with fees totaling \$645,556. A standard \$10 fee would have resulted in collections of \$657,320. (Undated departmental analysis). The House Fiscal Agency cites the department's figures and also notes that there could be an indeterminate increase in revenue to the state from a reduction in processing errors. The HFA also notes that the bill would have no impact on local government. (HFA analysis dated 3-18-02)

#### ***ARGUMENTS:***

##### ***For:***

The Department of State says that a standard fee per dealer plate would reduce the number of plate fee errors and result in quicker and better service. Currently, the first three special plates cost dealers \$15 apiece, with subsequent plates requiring a fee of \$8 per plate. One fee of \$10 per plate will greatly simplify the process without significant fiscal impact.

##### ***POSITIONS:***

The Department of State supports the bill. (4-9-02)

The Auto Dealers of Michigan, LLC, has indicated support for the bill. (4-9-02)

Analyst: C. Couch

■ 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.

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