Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4633 (as enrolled)
Sponsor: Representative Wayne Schmidt
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 11-20-13

RATIONALE

Under the current law, vehicle registration plates, commonly referred to as license plates, do not carry an expiration date, and vehicle owners can update registrations with new registration tabs indefinitely. Since the primary purpose of a license plate is to identify a vehicle, and plates can deteriorate over time, some people have suggested that license plates should expire after 10 years, and the State should explore other methods of producing license plates.

CONTENT

The bill would amend the Michigan Vehicle Code to: 1) provide that a vehicle registration plate could not be renewed 10 years after it was issued; and 2) require the Secretary of State to prepare and submit a report on the viability of producing registration plates through digital printing.

The bill would take effect on December 1, 2013.

Vehicle Registration Plate Renewal

Under the bill, beginning January 1, 2015, a vehicle registration plate would be ineligible for renewal 10 years after it was issued. An owner of a registered vehicle with a registration plate that was ineligible for renewal would have to get a replacement plate upon paying the fee required under Section 804 of the Code.

(Section 804 requires an applicant for a duplicate or replacement license fee to pay a service fee to the Secretary of State, in addition to any other fees required under the Code. The fee is $5 for a standard or graphic standard plate, personalized registration plate, veterans special registration plate, or other registration plate for which the duplicate or replacement fee is not specified in the Code. The service fee is $10 for each fund-raising registration plate or collector plate, or for a set of special organization plates.)

At the request of a vehicle owner whose registration plate was ineligible for renewal, the Department of State could issue a new registration plate with the same registration number as displayed on the expired plate, if the Department had retired the alphanumeric series from circulation. The Department could issue the new registration plate as provided under Section 803b of the Code (which governs personalized registration plates).

Digitally Printed Registration Plates

The Secretary of State would have to prepare a report analyzing the viability of moving from the current registration plate production process to a digital printing process. The report would have to be prepared in conjunction with the Department of Corrections, the Michigan State Police, the Michigan Sheriffs' Association, one individual appointed by the Speaker of the House of Representatives, and one individual appointed by the Senate Majority Leader.

By December 31, 2013, the Secretary of State would have to submit the report to the standing committees of the Senate and House of Representatives with primary responsibility for transportation issues.

MCL 257.224

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
Creating a 10-year limit for license plates would help to ensure that plates were legible, which would have multiple benefits. Reportedly, the warranty for a license plate is about five years. Over time, license plates can rust and lose reflectivity, the paint can peel or bubble, and they can become otherwise damaged. This can result in an illegible plate.

Illegible plates pose public safety concerns. Police officers who pull drivers over for illegible plates lose the opportunity to pursue other drivers who commit more dangerous offenses. Also, identifying a serious offender could rely on identifying the license plate of his or her vehicle.

A growing number of Michigan police agencies are using automatic license plate recognition technology, which is based on hardware and software that can automatically scan, research, and store information regarding a vehicle. This technology is credited with assisting law enforcement in identifying the Boston Marathon bombers last July and the man behind the attempted 2010 Times Square car bombing. For this technology to be effective, a license plate must be legible.

Currently, Sections 225 and 229 of the Vehicle Code require a registration plate to be maintained in a clearly legible condition, and require a person to apply for a new registration if his or her plate becomes illegible. The bill would bolster these provisions by imposing an expiration date.

Supporting Argument
Since there is no expiration date for license plates, some specialty license plates still are displayed years after the event that they commemorated. For example, there are still auto centennial plates in circulation, which were issued in 1996 to celebrate the centennial of automobile production in the United States. Some people believe that displaying specialty plates nearly two decades after an event is inappropriate.

Supporting Argument
By requiring the Secretary of State to explore the viability of a digital printing process, the bill could have positive results for the State and its motorists. Digitally printing registration plates on vinyl or plastic could increase the lifespan of plates and cost less than the current process, which could save both the State and vehicle owners money.

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

The bill would have no fiscal impact on the State as the Department has indicated that any costs of reissuing a plate that was at least 10 years old would be covered through the fees charged under Section 804.

The bill would have no fiscal impact on local units of government.

Fiscal Analyst: Joe Carrasco

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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.

Page 2 of 2   Bill Analysis @ www.senate.michigan.gov/sfa   hb4633/1314