

## REGISTRATION TABS AND CERTIFICATES

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**House Bill 5250 (proposed substitute H-1)**  
**Sponsor: Rep. Matt Maddock**  
**Committee: Transportation**  
**Revised 9-2-20**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5250 would amend the Michigan Vehicle Code to eliminate adhesive registration tabs, remove references to those tabs, and eliminate the requirement that a registration certificate be carried in the vehicle it refers to or be otherwise accessible to the vehicle's driver.

#### Registration tabs

The bill would remove "adhesive tabs" from the definition of *registration* for purposes of the code; tabs would no longer be an indicator of a vehicle's registration. The bill would prohibit the secretary of state from issuing a tab designating the month and year of expiration or other registration information or requiring such a tab to be used on a registration plate. The bill would accommodate the renewal of registration plates rather than the issuance of adhesive tabs for registration renewal. The bill would revise many sections of the code to remove references to, and provisions concerning, registration tabs.

#### Recreation passport fees

The bill would require the Department of State's computerized central file of registration information to indicate whether the recreation passport fee has been paid for a motor vehicle. The recreation passport allows vehicular entry to state parks, recreation areas, and boat launches. Currently, whether the fee has been paid is indicated on a registration tab. The bill would require the secretary of state to consult with the Department of Natural Resources (DNR) about other ways to determine whether the fee has been paid, including interfacing the computerized central file with an electronic DNR database.

#### Registration certificates

The bill would stipulate that a person is not required to carry a registration certificate in the vehicle to which it refers and would prohibit a police officer from demanding that a driver display it in paper or electronic format. The police officer would instead be required to use the Law Enforcement Information Network (LEIN) or another verification system to access registration information for a vehicle.

The bill would similarly remove provisions regarding mopeds that currently require the certificate of registration to accompany the vehicle and be produced upon demand of an officer.

Currently, if a registration certificate is lost, is mutilated, or becomes illegible, the appropriate person can obtain either a duplicate copy or a new certificate under a new registration number, at the Department of State's discretion. The bill would instead allow the person to obtain a duplicate upon presenting the required information and paying a fee.

## **Repealers**

The bill would repeal sections 223 and 803h of the Michigan Vehicle Code.

Section 223 now requires a registration certificate to be carried in the vehicle to which it refers or carried or available electronically to the person driving the vehicle.

Section 803h allows the secretary of state to issue a tab for persons with disabilities to a disabled person who has a Michigan registration plate other than a plate issued under section 803d for persons with disabilities.

The bill would take effect January 1, 2021.

MCL 257.50 et seq.

## **FISCAL IMPACT:**

House Bill 5250 would provide substantial direct cost savings to the Department of State (DOS) by eliminating costs needed to produce and mail vehicle registration tabs to drivers. The amount of the savings is not yet known. DOS estimates that the bill could result in a decrease in expenditures of approximately \$500,000. Savings would likely benefit the Transportation Administration Collection Fund, which is DOS's primary restricted fund source for administering vehicle registration services.

Other states that have eliminated registration plate tabs have reported greater estimated cost savings than \$500,000. The Commissioner of the Connecticut Department of Motor Vehicles estimated that annual savings from eliminating tabs was approximately \$800,000.<sup>1</sup> The Pennsylvania Department of Transportation estimated that eliminating tabs would save a total of \$3.1 million annually, with \$2.0 million being saved from mailing and postage costs.<sup>2</sup> Pennsylvania's number of registered drivers is comparable to Michigan's. A significant factor in achieving savings in Michigan would depend on whether, or to what extent, a second mailing following a registration reminder would be necessary without the requirement to issue a tab.

It is not known whether there would be any indirect decrease in revenue to the Michigan Transportation Fund (MTF) if elimination of visible registration plate tabs encourages some drivers to drive with an expired registration. Pennsylvania reported over 230,000 fewer vehicle registrations in the year following elimination of registration tabs; however, it is unclear whether any of this decrease is a direct result from the elimination of tabs the year before. The MTF is the collection and distribution fund for dedicated state transportation revenue, primarily from motor fuel taxes and vehicle registration taxes. Section 10 of 1951 PA 51 governs the distribution of MTF revenue; the section directs MTF revenue to the State Trunkline Fund, to other state transportation funds and programs, and to local road agencies (county road commissions, cities, and villages).

The bill would also require that "the potential for interfacing the computerized central file with an electronic database of the DNR" be included as a method to consider in DOS's consultation with DNR regarding establishing or modifying a method by which DNR can determine whether

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<sup>1</sup> <https://www.cga.ct.gov/2016/rpt/pdf/2016-R-0244.pdf>

<sup>2</sup> <https://www.dmv.pa.gov/Pages/FAQ%20Pages/Elimination-of-Stickers.aspx>

a recreation passport fee has been paid for a motor vehicle. Should DOS and DNR choose to pursue this method, there would likely be information technology programming costs necessary to enable information being shared in a way to satisfy this purpose.

Finally, the bill would have an indeterminate fiscal impact on the Department of State Police and on local law enforcement entities. It is unlikely that all law enforcement agencies in the state have the technology and connectivity access to check registration information as provided in the bill. The cost to ensure that all agencies could perform this function is currently unknown but would likely be significant.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.