

Michigan Office of Administrative Hearings and Rules

Administrative Rules Division (ARD)

MOAHR-Rules@michigan.gov

**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

Agency Information:

Department name:

State

Bureau name:

Vehicles & Watercraft

Name of person filling out RIS:

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Rule Set Information:

ARD assigned rule set number:

2025-6 ST

Title of proposed rule set:

Michigan Personalized Plates Rules

Comparison of Rule(s) to Federal/State/Association Standard

1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

There is no parallel federal rule or standard.

A. Are these rules required by state law or federal mandate?

The rules are not required by state law or federal mandate.

B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

There is no federal standard.

2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The proposed rules are comparable to other states' criteria for issuing personalized plates; including Illinois, Indiana, Wisconsin, Kentucky, California, and New York.

A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.

The rules do not exceed standards in other states.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

There are no laws, rules, or other legal requirements that duplicate, overlap or conflict.

A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

There are no applicable federal laws and each state determines its own standards for personalized plates.

Purpose and Objectives of the Rule(s)

4. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

Approximately 111,000 personalized plates are issued each year.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

There will be minimal change in frequency.

B. Describe the difference between current behavior/practice and desired behavior/practice.

Applicants will apply for a personalized plate in the same manner but under the formal rule criteria for objectionable subject matter.

C. What is the desired outcome?

Applicants will have knowledge of, and apply for personalized plates that meet the formal rule criteria.

5. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.

The harm is that applicants may apply for plates that do not conform to personalized plate criteria.

A. What is the rationale for changing the rules instead of leaving them as currently written?

There are no current rules.

6. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

The rules protect the welfare of Michigan citizens by formalizing personalized plate criteria. Applicants will have an understanding of those subjects that are objectionable to place on a personalized plate.

7. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

There are no current rules.

Fiscal Impact on the Agency

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

8. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).

No fiscal impact.

9. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.

No appropriation necessary.

10. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The rules are necessary and suitable to enable applicants to have an understanding of the criteria regarding objectionable subject matter on personalized plates and will place no additional burdens on individuals.

A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.

There are no burdens.

Impact on Other State or Local Governmental Units

11. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

There are no revenue or cost impacts.

12. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.

There are no impacts.

A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.

There are no actions required.

13. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.

No appropriation required.

Rural Impact

14. In general, what impact will the rules have on rural areas?

No impact on rural areas.

A. Describe the types of public or private interests in rural areas that will be affected by the rules.

No impact on rural areas.

Environmental Impact

15. Do the proposed rules have any impact on the environment? If yes, please explain.

No impact on the environment.

Small Business Impact Statement

16. Describe whether and how the agency considered exempting small businesses from the proposed rules.

The agency did not consider exempting small businesses from the proposed rules because there is no direct or indirect impact on small businesses.

17. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.

The agency did not consider how to reduce the economic impact on small businesses from the proposed rules because there is no direct or indirect economic impact on small businesses.

A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.

There are 0 small businesses impacted by the proposed rules.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.

The agency did not establish differing compliance or reporting requirements or timetables for small businesses from the proposed rules because there is no direct or indirect impact on small businesses.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

The agency did not consolidate or simplify compliance or reporting requirements for small businesses from the proposed rules because there is no direct or indirect impact on small businesses.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

The agency did not establish performance standards to replace design or operation standards required by the proposed rules.

18. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.

There is no disproportionate impact on small businesses because of their size or geographic location because there is no direct or indirect impact on small businesses.

19. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.

There are no reported or estimated costs by small businesses because there is no direct or indirect impact on small businesses.

20. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.

There are no costs of compliance for small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs, because there is no direct or indirect impact on small businesses.

21. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.

There are no estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules because there is no direct or indirect impact on small businesses or required compliance.

22. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

There are no estimated costs of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace because there is no direct or indirect impact on small businesses.

23. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

There are no estimated costs to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses because there is no direct or indirect impact on small businesses.

24. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

There is no impact on the public interest of exempting or setting lesser standards of compliance for small businesses because there is no direct or indirect impact on small businesses.

25. Describe whether and how the agency has involved small businesses in the development of the proposed rules.

The agency did not involve small businesses in the development of the rules because there is no direct or indirect impact on small businesses.

A. If small businesses were involved in the development of the rules, please identify the business(es).

The agency did not involve small businesses in the development of the rules because there is no direct or indirect impact on small businesses.

Cost-Benefit Analysis of Rules (independent of statutory impact)

26. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

No compliance costs on businesses or groups.

A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

There are no businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

No compliance costs on businesses or groups.

27. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

No compliance costs on individuals.

A. How many and what category of individuals will be affected by the rules?

Approximately 111,000 personalized plates are issued each year.

B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?

There is a direct qualitative impact on individuals by having objective standards in applying for an optional personalized plate.

28. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

No cost reductions.

29. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.

The primary and direct benefit to individuals is that applicants who choose to apply for a personalized plate will have objective standards to determine which letter/number combinations to apply for.

30. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.

There will be no impact on business growth and jobs.

31. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

There are no individuals or businesses disproportionately affected.

32. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.

The agency relied on department data regarding personalized plates issued.

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.

No estimates were made.

Alternative to Regulation

33. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.

A reasonable alternative would be to codify the personalized plate criteria in the Michigan Vehicle Code.

A. Please include any statutory amendments that may be necessary to achieve such alternatives.

Amendments containing the criteria would need to be added to MCL 257.803b and MCL 257.803m.

34. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

No private market-based mechanisms are available.

35. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.

No significant alternatives were considered.

Additional Information

36. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

No instructions are applicable.