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BILL



ANALYSIS

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Senate Bill 59 (as reported without amendment)
Sponsor: Senator Mark C. Jansen
Committee: Transportation

(as passed by the Senate)

Date Completed: 5-19-09

RATIONALE

Amendments to the Michigan Vehicle Code in 2000 provided for the creation of up to six State-sponsored fund-raising license plates for the benefit of specific charitable causes. Purchasers of a fund-raising plate must pay a \$25 donation and a \$10 service fee above the cost of a standard plate. The \$25 is then deposited into a designated fund to be used for the cause associated with the plate. The original six fund-raising plates support wildlife habitat protection, lighthouse preservation, water quality protection, agricultural heritage, the Children's Trust Fund, and the Vietnam Veteran's Memorial Monument Fund. Since 2000, the limit on State-sponsored fund-raising plates has been increased twice, to allow for the creation of an "American Pride" plate and a "Support our Troops" plate. The Secretary of State (SOS) reports that it has issued a total of about 800,000 State-sponsored fund-raising plates since it began on April 2, 2001, as well as an additional 780,000 plates recognizing various Michigan universities. It has been suggested that the current limit on fund-raising plates be increased to allow for the creation of a license plate in support of Habitat for Humanity, an international nonprofit organization that organizes volunteers to build houses for disadvantaged individuals in the United States and around the world.

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

-- Increase the current limit on State sponsored fund-raising license plates.

-- Permit the Secretary of State to create a fund-raising plate or collector plate recognizing Habitat for Humanity.

-- Create the "Habitat for Humanity Fund" and require donations for those plates to be deposited into the Fund.

The Code allows the SOS, at one time, to develop up to eight State-sponsored fund-raising registration plates and matching State-sponsored collector plates. The bill would increase that limit to nine different plates.

The bill would permit the SOS to issue a fund-raising plate or collector plate recognizing Habitat for Humanity. The plates would have to be of a design as determined by the SOS and contain the words "Habitat for Humanity" and "Michigan". The SOS would have to transfer to the State Treasurer fund-raising donations for the plates collected under Sections 811f and 811g.

(Those sections provide for the issuance of a fund-raising plate and a collector plate. Under Section 811f, an application for an original fund-raising plate must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax, and a \$10 service fee. An application for renewal of a fund-raising plate must be accompanied by payment of the required registration tax and a \$10 fund-raising fee. Under Section 811g, a person may purchase one or more collector plates by paying to the SOS a \$10 service fee and a \$25 fund-raising donation.)

The bill would create the Habitat for Humanity Fund within the State Treasury. The State Treasurer would have to disburse the donation money received under the bill to that Fund, and disburse money in the Fund on a monthly basis to the Habitat for Humanity. The State Treasurer could receive money or other assets from any source for deposit into the Fund. The Treasurer would have to direct the investment of the Fund and credit to it interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would have to remain in the Fund and not lapse into the State General Fund.

The Habitat for Humanity would have to report annually to the Department of Treasury an accounting of money received and used under the bill.

MCL 257.811e et al.

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

Habitat for Humanity is focused on raising awareness of the need for affordable housing and the plight of homeless individuals and families. In Michigan, the organization reportedly has built over 3,500 homes for partner families. Habitat for Humanity relies on volunteer labor and donated money and supplies to build houses, which it then sells to selected low-income individuals at affordable prices, using the money from the sales to build other houses.

The bill would help to raise the profile of Habitat for Humanity and allow drivers to choose to show their support for the organization. Particularly with the current difficulties in the mortgage industry, the availability of affordable housing is crucial to the economic well-being of low-income families. Habitat for Humanity gives those families the opportunity to own a home, building economic security and strengthening their ties to the community. Because Habitat for Humanity is a widely known and respected organization, a fund-raising license plate recognizing Habitat for Humanity likely would be popular with

vehicle owners, and the presence of the license plates on Michigan roads could help to focus public attention on the plight of the more than 85,000 homeless individuals in the State.

In addition to the money raised directly from the license plate, the public awareness it generated could spur additional contributions from the private sector to Habitat for Humanity and to other nonprofit organizations that work to provide affordable housing or other assistance for homeless or low-income families. Habitat for Humanity Michigan estimates that for every dollar it received directly through the license plate, the organization could raise nine dollars from private sources.

Opposing Argument

The current limit on the number of fund-raising plates was enacted to prevent the proliferation of license plate designs. For law enforcement purposes, it is preferable to minimize the number of different designs, so officers are able to distinguish Michigan plates from out-of-State plates quickly and accurately. As an alternative, a bumper sticker would allow individuals to show support for Habitat for Humanity, and the sale of the bumper stickers could raise money for the organization.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would create a start-up cost to the Department of State. The start-up fee of \$15,000 prescribed in the Code could be paid to the Department from the Habitat for Humanity Fund proposed in the bill; however, the bill does not include such a requirement. The revenue generated from the fund-raising license plate established under the bill would be deposited into the proposed Habitat for Humanity Fund, after which the State Treasurer would disburse payments from the Fund on a monthly basis to Habitat for Humanity.

The bill would have no fiscal impact on local 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.