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BILL



ANALYSIS

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Senate Bill 135 (as reported without amendment)  
Sponsor: Senator John Pappageorge  
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 limit on fund-raising plates be eliminated and that the SOS be required to create a license plate in support of the Michigan Humane Society, to help fund its pet sterilization program.

### **CONTENT**

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

- Remove the limit on State-sponsored fund-raising license plates.**
- Require the Secretary of State to develop and issue a fund-raising**

**plate recognizing the Michigan Humane Society.**

- Create the "Michigan Humane Society Fund" and require donations for those plates to be deposited into the Fund.**
- Require money in the Fund to be disbursed to the Michigan humane Society for pet sterilization.**

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 remove that limit on the number of plates.

The bill would require the SOS to develop under Section 811e and issue under Section 811f a fund-raising plate recognizing the Michigan Humane Society. The SOS would have to design the fund-raising plate in conjunction with that organization.

(Section 811e permits the SOS to develop a fund-raising plate under certain conditions. A start-up fee of \$15,000 must be paid for any new fund-raising plate, to be used for the cost of creating, producing, and issuing the 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.)

The bill would create the Michigan Humane Society Fund within the State Treasury. The

SOS would have to transfer the donation money from the sale of the plate to the State Treasurer, who would have to credit the money to the Fund. The State Treasurer would have to disburse money in the Fund on a quarterly basis to the Michigan Humane Society for the purpose of pet sterilization.

The Michigan Department of Agriculture would be the administrator of the Fund for auditing purposes. The 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.

Beginning not later than February 1, 2011, the Michigan Humane Society would have to submit to the Department of Treasury a summary of the previous year's expenditures of the money received 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**

The Michigan Humane Society is a nonprofit organization dedicated to ending companion animal homelessness. The organization operates animal shelters and provides low-cost pet sterilization, emergency animal rescue, and other animal care. The organization provides care for over 100,000 animals annually, according to its website. The State-sponsored license plate would allow Michigan drivers to choose to support those efforts and to display appreciation for the Humane Society on their vehicles. Beyond the direct contributions that the fund-raising plates would bring, their presence on Michigan roads and highways could help to raise awareness of the Humane Society's work, prompting additional support and helping to encourage pet owners to sterilize their animals.

#### **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, bumper stickers could help to raise money for the organization while allowing vehicle owners to show their support for the Humane Society.

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 of State from the Humane Society 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 Humane Society Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Michigan Humane Society for pet sterilization.

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.