



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 104 (as enacted)
Sponsor: Senator Roger Kahn, M.D.
Senate Committee: Transportation
House Committee: Transportation

PUBLIC ACT 66 of 2011

Date Completed: 7-2-12

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 was 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 more than 1.0 million State-sponsored fund-raising plates since April 2001, as well as an additional 1.0 million plates recognizing various Michigan universities. It was 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 Boy Scouts of America.

recognizing the Boy Scouts of America.

- **Create the "Boy Scouts of America Fund" and require donations from the sale of the plate to be deposited into the Fund.**
- **Delay the sunset on provisions requiring fund-raising license plate fees to be deposited in the Transportation Administration Collection Fund (TACF) from October 1, 2011, until October 1, 2015.**

The bill took effect on January 1, 2012.

Previously, the Code allowed the SOS to develop, at any one time, up to eight State-sponsored fund-raising registration plates and matching State-sponsored collector plates. The bill removed that limit on the number of plates.

The bill requires the SOS to develop under Section 811e and issue under Section 811f a fund-raising plate recognizing the Boy Scouts of America (BSA). In conjunction with the BSA, the SOS must design the fund-raising plate.

CONTENT

The bill amended the Michigan Vehicle Code to do the following:

- **Remove the limit on State-sponsored fund-raising license plates.**
- **Require the Secretary of State to create a fund-raising plate**

(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. In addition, after a minimum of three years, a fund-raising plate may be redesigned upon payment of a \$2,000 fee.

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 created the Boy Scouts of America Fund within the State Treasury. The SOS must transfer the donation money from the sale of the plate to the State Treasurer, who must credit the money to the Fund. The State Treasurer must disburse money in the Fund on a quarterly basis to the BSA.

The Treasurer may receive money or other assets from any source for deposit into the Fund. The Treasurer must 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 will remain in the Fund and will not lapse into the State General Fund.

The Code required the start-up and redesign fees under Section 811e to be deposited in the TACF through October 1, 2011. The bill extended this requirement to October 1, 2015.

MCL 257.811e & 257.811r

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 bill will help to support the Boy Scouts of America, an important organization in the lives of more than 83,000 Michigan youths in 2010. The organization places an emphasis on community service and the development of valuable life skills, and many former Boy Scouts are currently serving the country in various capacities, including as members of the U.S. Congress, FBI agents, astronauts, and military personnel. Several other states, including Ohio, Oklahoma, Texas, and Utah, have created BSA license plates. The bill provides for a similar plate in Michigan, generating revenue to benefit the organization.

The BSA had the money to pay the \$15,000 start-up fee to cover the costs of developing the plate. The BSA's widespread

membership and its approximately 30,000 adult volunteers in the State should enable the organization to meet the Code's minimum sales requirements of 2,000 plates in the first year and 500 new plates annually for the next five years. The BSA has a stated goal of selling at least 20,000 plates.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill created a start-up cost to the Department of State. The start-up fee of \$15,000 prescribed in the Code was paid to the Department by the Boy Scouts of America. The revenue generated from the fund-raising license plate established under the bill will be deposited into the Boy Scouts of America Fund, after which the State Treasurer will disburse payments from the Fund on a quarterly basis to the Boy Scouts of America.

The bill has 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.