



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 91 (Substitute S-1 as reported)
Sponsor: Senator Darwin L. Booher
Committee: Transportation

Date Completed: 7-13-15

RATIONALE

The Michigan Vehicle Code authorizes the creation of State-sponsored fund-raising license plates and matching collector plates for the benefit of specific charitable causes. Purchasers of a fund-raising license plate must pay a \$25 donation and a \$10 service fee above the cost of a standard plate; purchasers of a collector plate also must pay a \$25 donation and a \$10 service fee. The \$25 is then deposited into a designated fund to be used for the cause associated with the plate. A fund-raising license plate must meet or exceed sales goals of 2,000 plates in the first year and 500 in subsequent years, or it may be discontinued. Fund-raising plates are currently available to support agriculture education programs for grades K-12, Boy Scouts of America, the Children's Trust Fund, lighthouse preservation, water quality, wildlife habitat, and several other causes, as well as Michigan's 15 State-supported universities. To assist with preservation of the historical features of Sleeping Bear Dunes National Lakeshore, it has been suggested that a fund-raising plate also be created in support of Preserve Historic Sleeping Bear, a nonprofit organization that works in partnership with the National Park Service.

CONTENT

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

- Require the Secretary of State (SOS), by October 1, 2015, to develop and issue a fund-raising license plate or collector plate recognizing the Sleeping Bear Dunes National Lakeshore.**
- Create the "Sleeping Bear Dunes National Lakeshore Fund" and require the donations for the plates to be deposited into the Fund.**
- Require the money in the Fund to be disbursed to Preserve Historic Sleeping Bear for expenditure on preservation projects.**

Specifically, the SOS would have to develop under Section 811e and issue under Section 811f a fund-raising plate or collector plate recognizing the Sleeping Bear Dunes National Lakeshore. The SOS would have to design the plate in conjunction with Preserve Historic Sleeping Bear.

(Section 811e prescribes a \$15,000 start-up fee for any new fund-raising plate and requires it to be deposited in the Transportation Administration Collection Fund through October 1, 2015, to be used for the cost of creating, producing, and issuing fund-raising plates. Section 811f authorizes the SOS to issue a fund-raising plate instead of a standard registration plate upon application. An application must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax prescribed in the Code, and a \$10 service fee.)

The bill would create the Sleeping Bear Dunes National Lakeshore Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund. The State Treasurer would have to direct the investment of the Fund and credit to it any interest and earnings from the investments. Money in the Fund at the close of the fiscal year would remain

in the Fund and would not lapse to the General Fund. The State Treasurer would be the administrator of the proposed Fund for auditing purposes.

The SOS would have to transfer the donation money from the sale of the plates to the State Treasurer, who would have to credit it to the proposed Fund. The State Treasurer would have to disburse Fund money to Preserve Historic Sleeping Bear on a quarterly basis. The money would have to be spent on projects that preserved the historic and natural features of the Sleeping Bear Dunes National Lakeshore for the use and enjoyment of the public.

The bill would take effect 90 days after enactment.

Proposed MCL 257.811dd

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

Congress authorized creation of the Sleeping Bear Dunes National Lakeshore in 1970, and in 2011 it was named "Most Beautiful Place in America" by ABC's Good Morning America. The National Lakeshore consists of more than 71,000 acres, including a 35-mile stretch located along the eastern shore of Lake Michigan as well as North and South Manitou Islands. The area is primarily known for its natural features such as dunes, forests, glacial landforms, and beaches, but its Native American history and its significance in Michigan's shipping, logging, and agricultural heritage also help to draw more than 1.0 million visitors annually. It is estimated that the Lakeshore is associated with about 270 local jobs and contributes some \$145.0 million to the local economy every year.

Since 1999, the nonprofit organization Preserve Historic Sleeping Bear has worked in partnership with the National Park Service (NPS) to preserve and interpret the more than 300 historic structures and cultural landscapes in Sleeping Bear Dunes National Lakeshore, according to the organization's Facebook page. Preserve Historic Sleeping Bear raises funds, coordinates volunteer teams, leads tours, and engages in a number of other projects and programs in pursuit of its mission. Through its activities, the organization has saved dozens of structures and landscapes for public appreciation and enjoyment. This work is especially important as the financial resources of the NPS are seriously strained; reportedly, the agency faces a nationwide maintenance backlog totaling approximately \$11.0 million. The revenue generated through license plate sales would help Preserve Historic Sleeping Bear bridge this funding gap. Furthermore, the money would enable the organization to act more quickly to preserve important structures, enhance its partnerships, and perform more comprehensive work.

Because many people from all over the State feel a great deal of love and pride for the Sleeping Bear Dunes National Lakeshore, it is anticipated that demand for the plate would be significant. In addition to generating revenue through the donations, the plate would promote the Lakeshore to other motorists. Fund-raising plates to support a number of NPS facilities exist in other states. Evidently, Preserve Historic Sleeping Bear and the NPS plan to market the plate in conjunction with the Park Service's 100th anniversary in 2016. Under these circumstances, it is likely that the sales goals prescribed in the Vehicle Code would be achieved and a significant amount of revenue could be raised to assist Preserve Historic Sleeping Bear as it works to maintain this asset for the people of Michigan and out-of-State visitors.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would create a start-up cost to the Department of State; however, the start-up fee of \$15,000 prescribed in the Code would have to be paid to the Department of State from the Sleeping Bear Dunes National Lakeshore Fund proposed by the bill. The revenue generated from the fund-

raising license plate would be deposited into the Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to Preserve Historic Sleeping Bear.

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.