



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 354 (Substitute S-1 as reported)
Sponsor: Senator John Proos
Committee: Transportation

Date Completed: 6-12-17

RATIONALE

The Michigan Vehicle Code provides for the creation of State-sponsored fund-raising license 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. The \$25 is then deposited into a designated fund to be used for the cause associated with the plate. If a fund-raising plate fails to meet sales goals specified in the Code, the Secretary of State must cease to issue it. 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. It has been suggested that a charitable license plate recognizing the Knights of Columbus be created, with the proceeds going to the Knights of Columbus.

CONTENT

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

- **Require the Secretary of State (SOS), by June 1, 2018, to develop and issue a Knights of Columbus fund-raising plate.**
- **Create the "Knights of Columbus Fund" within the State Treasury and require the donation money from the sale of the plate to be deposited into the Fund.**
- **Require the money in the proposed Fund to be disbursed on a quarterly basis to the Knights of Columbus.**

Specifically, the bill would require the SOS, not later than June 1, 2018, to develop under Section 811e and issue under Section 811f a Knights of Columbus fund-raising plate. The SOS, in conjunction with the Knights of Columbus, would have to design the plate.

(Section 811e of the Code prescribes a start-up fee for any new fund-raising plate in an amount equal to a three-year average of the cost to the SOS of developing a new plate, as calculated by the SOS on January 1 of each year, and requires the fee to be deposited in the Transportation Administration Collection Fund to be used for the cost of creating, producing, and issuing fund-raising plates. If the fee is not paid within 18 months after the effective date of the public act that authorizes the development and issuance of a fund-raising plate, the SOS may not create, produce, or issue the related plate. The SOS may not develop or issue a fund-raising plate unless a public act authorizing the plate identifies its purpose; creates a nonprofit fund or designates an existing nonprofit fund to receive the money raised through the sale of the plates and matching collector plates; and, if a fund is created, names the person or entity responsible for administering it.

Section 811f authorizes the SOS to issue a fund-raising plate instead of a standard registration plate upon application, which 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 Knights of Columbus 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 Fund 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 Knights of Columbus Fund for auditing purposes.

The SOS would have to transfer the donation money from the sale of Knights of Columbus fund-raising plates to the State Treasurer, who would have to credit the money to the proposed Fund. The State Treasurer would have to disburse the money in the Fund on a quarterly basis to the Knights of Columbus.

The bill would take effect 90 days after its enactment.

Proposed MCL 257.811ll

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

Founded in 1882, the Knights of Columbus is a fraternal benefit society of Catholic men focused on contributing to all types of communities across the world. The international organization is based on the principles of charity, fraternity, and unity. According to the Knights of Columbus website, Knights volunteered more than 73.5 million service hours in 2015. Also, the organization contributed more than \$175.0 million to charity in 2014, and provides economic security for families through its life insurance, annuity, and long-term care programs. Reportedly, there are more than 2.0 million Knights worldwide and 60,000 Knights in Michigan.

The Knights of Columbus has unique charities that include the Christian Refugee Relief Fund, Disaster Relief, Ultrasound Initiative, and Coats for Kids. It is also a partner with several international charities, such as Special Olympics, the Global Wheelchair Mission, and Habitat for Humanity. In Michigan, Knights support initiatives such as St. Francis Camp on the Lake, which gives those with developmental disabilities the opportunity to have a camp experience, and Kalamazoo Loaves and Fishes, which provided food assistance to over 29,000 families in 2016.

By allowing Michigan drivers to buy Knights of Columbus license plates, the bill would create an additional source of revenue for the organization to support its charities and charitable causes, benefiting Michigan residents and communities.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would create a start-up cost to the Department of State; however, the start-up fee prescribed in the Code would have to be paid to the Department from the Knights of Columbus Fund proposed in the bill. The start-up fee (formerly \$15,000) recently was changed to the latest three-year average, which has not yet been determined by the Department. The revenue generated from the Knights of Columbus fund-raising license plate established under the bill would be deposited into the proposed Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Knights of Columbus.

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.