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SFA



BILL ANALYSIS

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Senate Bills 826 through 829 (as introduced 10-19-99)
Sponsor: Senator Bill Bullard, Jr. (S.B. 826)
Senator Bev Hammerstrom (S.B. 827 & 829)
Senator Mike Rogers (S.B. 828)
Committee: Transportation and Tourism

Date Completed: 10-26-99

CONTENT

Senate Bill 826 would amend the Michigan Vehicle Code to do the following:

- Permit the Secretary of State (SOS) to develop a Michigan university fund-raising registration plate and a matching collector plate, limited-term registration plates, and up to six State-sponsored fund-raising registration plates and matching collector plates.
- Permit the SOS to issue a fund-raising plate instead of a standard registration plate for use on passenger vehicles.
- Require a person purchasing a fund-raising plate or a collector plate to pay a \$10 service fee and a \$25 fund-raising donation; require a renewal application for a fund-raising plate to include the vehicle registration tax and a \$10 donation; and require a person purchasing an original or renewal fund-raising plate to pay the regular vehicle registration tax, as well.
- Allow a collector plate to be displayed on a vehicle's front bumper.
- Require service fees to be credited to the Michigan Transportation Fund, and be used to defray manufacturing and administrative costs associated with fund-raising and collector plates, and provide for the disbursement of the funds.
- Specify that the State would own all rights, title, and interest in the plates, and permit the SOS to authorize the commercial use of a plate design upon consent of the pertinent State university or sponsoring entity.

Senate Bills 827 and 828 would amend the Michigan Vehicle Code to require the SOS, under provisions of Senate Bill 826, to develop and, upon application, issue a State-sponsored Children's Trust Fund-Raising registration plate and a State-sponsored Michigan Veterans Memorial Fund-Raising registration plate,

respectively, as well as matching State-sponsored collector plates.

Senate Bill 829 would amend Public Act 249 of 1982, which establishes the State Children's Trust Fund in the Department of Treasury, to require the State Treasurer to credit to the Trust Fund any amounts received under Senate Bill 827. The bill is tie-barred to Senate Bill 827.

A more detailed description of Senate Bills 826, 827, and 828 follows.

Senate Bill 826

Duplicate Plates

Currently, a \$5 fee must be paid with each application for a duplicate or replacement license plate provided for in the Code. A \$10 fee must be paid with each application for a duplicate or replacement set of plates provided for in the Code's provisions on special organization plates. In addition to any other fees required under the Code, a \$5 service fee must be paid with each application for a distinctive or commemorative plate provided for in the Code to cover manufacturing and issuance costs unless these costs are otherwise specifically provided for in the Code. The bill would delete these provisions.

Under the bill, each applicant for a duplicate or replacement license plate would have to pay the following fee to the SOS, in addition to any other fees required under the Code:

- \$5 for a standard or graphic standard plate, personalized registration plate, veterans special registration plate, or other registration plate for which the duplicate or replacement fee had not been specified in the Code.
- \$10 for a set of special organization plates (MCL 257.803m).
- \$10 for each distinctive or commemorative registration plate issued under the Code (MCL

257.225), or a fund-raising registration plate or a collector plate issued under the bill.

Fund-Raising Plate

A fund-raising registration plate series would have to contain all of the following as prescribed or approved by the Secretary of State: the same generic background, letters and numbers, the word "Michigan" and any other unique identifier specified by the SOS, and a design or logo. A personalized fund-raising registration plate could not contain more than five letter or number characters. ("Fund-raising registration plate" would mean a registration plate that contained a design or logo representing a symbol for a Michigan university or State-sponsored goal and was issued by the SOS to raise funds for the respective university or goal. "State-sponsored goal" would mean the purpose for which a State-sponsored fund-raising registration plate was authorized under the bill.)

Authorization to Develop Specialty Plates

The Secretary of State could develop a Michigan university fund-raising registration plate and a matching Michigan university collector plate. The SOS could develop one or more limited term registration plates to recognize a State-sponsored event, a Michigan university, or an accomplishment or occasion of a State university. The SOS could, at any time, develop up to six different State-sponsored fund-raising registration plates and matching State-sponsored collector plates. The SOS could develop, promote, and market the fund-raising registration plates and matching collector plates with the funds available through service fees.

If the design or logo of a State university or State-sponsored fund-raising registration plate used one or more designs, trade names, trademarks, service marks, emblems, symbols, or other images that were owned by the Michigan university that requested the fund-raising plate, the person or entity that was sponsoring a State-sponsored fund-raising plate, or any other person or entity, the Michigan university or sponsoring person or entity would have to grant to or obtain for the SOS both of the following: a nonexclusive worldwide license to use those designs, trade names, trademarks, service marks, emblems, symbols, or other images on and in conjunction with the marketing, promotion, sale, or copyrighting of the registration plate or image of the registration plate; and, the authority to merchandise the registration plate or an image of the plate.

In using or employing a design, trade name, trademark, service mark, emblem, symbol, logo, or other image on and in conjunction with the

marketing, promotion, sale, copyrighting, or merchandising of a registration plate or image of the registration plate, the SOS could alter the size of the design, trade name, trademark, service mark, emblem, symbol, logo, or other image but could not change its color or design without written consent of the respective Michigan university or sponsoring person or entity. The SOS could not use or employ a design, trade name, trademark, service mark, emblem, symbol, logo, or other image on and in conjunction with the marketing, promotion, sale, copyrighting, or merchandising of a registration plate or an image of the registration plate in any manner that was offensive to the Michigan university or sponsoring person or entity that complied with the bill's requirement concerning licensure and merchandising authority.

"Michigan university fund-raising registration plate" would mean a fund-raising registration plate that was issued under the bill at the request of a Michigan university. "Michigan university" would mean any of the following institutions of higher education: Central Michigan University, Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Michigan State University, Michigan Technological University, Northern Michigan University, Oakland University, Saginaw Valley State University, University of Michigan - Ann Arbor, University of Michigan - Flint, Wayne State University, and Western Michigan University.

"Collector plate" would mean a plate that contained a reproduction of every characteristic of a specific registration plate except for the number and letter characters, which would have to be determined by the SOS, and that was sold as described in the bill. A collector plate would not be a registration plate. "State-sponsored fund-raising registration plate" would mean a fund-raising registration plate authorized by a public act to raise funds for a State-sponsored goal. The public act would have to do at least all of the following: identify the purposes of the plate; create a fund or designate an existing fund to receive the money raised through the sale of these plates and matching collector plates; and, name the person or entity responsible for administering the fund, if a fund were created.

Application for a Fund-Raising Plate

Upon application, the SOS could issue one fund-raising registration plate instead of a standard registration plate to a person to use on a passenger motor vehicle, motor home, pickup truck, or van used exclusively to transport personal possessions or family member for nonbusiness purposes. A person could obtain a second duplicate personalized fund-

raising registration plate by requesting that option on the application and paying the duplicate personalized plate service fee, provided in Code.

A person who wanted to purchase a Michigan university or State-sponsored fund-raising registration plate for use on a vehicle would have to apply to the SOS for a fund-raising registration plate pursuant to the Code's provisions on application for vehicle registration (MCL 257.217). An application for an original fund-raising registration plate would have to be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax provided under the Code, and a \$10 service fee. An application for renewal of a fund-raising registration plate would have to be accompanied by payment of the regular vehicle registration tax and a \$10 fund-raising donation. Application for a replacement plate would have to be accompanied by payment of only the fee for duplicate or replacement plates (MCL 257.804).

A disabled person who applied for a fund-raising registration plate and who paid the required service fee would have to be issued, as determined by the SOS, a disabled person's tab as provided in the Code for his or her fund-raising registration plate or disabled person's fund-raising registration plate. The SOS would have to require the same proof that the applicant was a disabled person, as required for issuance of a permanent windshield placard under the Code.

A fund-raising registration plate would expire pursuant to the Code's provisions on the expiration of motor vehicle registrations (MCL 257.226). The Secretary of State could issue a tab or tabs designating the month and year of expiration for an original or renewal fund-raising registration plate. The SOS could issue a temporary registration permit to a person who submitted an application and the proper fees and donation for a fund-raising registration plate, if the applicant's current vehicle registration would expire before he or she would receive a fund-raising plate. The temporary registration would expire when the applicant received a fund-raising plate or 60 days after it was issued, whichever occurred first. The temporary permit would have to be issued without a separate fee.

Collector Plate

Except as otherwise provided in the Code, the SOS could develop, market, promote, and sell a collector plate that matched any registration plate issued by the SOS under the Code. A collector plate could not be attached to a motor vehicle, as prescribed in the Code's provisions on attaching and displaying registration plates (MCL 257.225). A collector plate could be used on a vehicle in any lawful manner, including, but not limited to, being displayed on a

vehicle's front bumper.

A person could purchase one or more collector plates by paying to the SOS a \$10 service fee and, if the plate were a matching Michigan university or State-sponsored fund-raising registration plate, a \$25 fund-raising donation. The SOS could, as he or she determined necessary, cease to sell a collector plate.

Crediting Fees to Transportation Fund

Each service fee collected under the bill would have to be credited to the Michigan Transportation Fund, and would have to be used first to defray the manufacturing and administrative costs incurred by the SOS, including administrative costs associated with selling, issuing, replacing, and substituting fund-raising registration and collector plates.

The SOS would have to identify and segregate the fund-raising donations into separate accounts, and create a separate account for each fund-raising plate series and matching collector plates issued or sold by the SOS for a Michigan university or State-sponsored goal.

As the SOS determined necessary but not more than 45 days after the end of each calendar quarter, the SOS would, at least once each calendar quarter, have to authorize the disbursement of fund-raising donations segregated under the bill and, independent from any disbursement under the bill, report the number of fund-raising registration and matching collector plates issued, sold, or renewed bearing the design or logo of that Michigan university or State-sponsored plate sponsor, to the following, as appropriate: the treasurer of a Michigan university, and the person or entity identified in a public act, pursuant to the bill, to administer a State-sponsored fund-raising registration plate fund.

Discontinuation of Fund-Raising Plate

The SOS could stop issuing a fund-raising registration plate or a duplicate replacement of a fund-raising plate for use on a vehicle if the SOS issued fewer than 500 of a particular fund-raising plate within any prior 24 consecutive months. The SOS also could stop selling a collector plate that matched the discontinued fund-raising plate. The SOS, however, could continue to renew fund-raising plates already issued and collect the renewal fund-raising donation for them. The bill specifies that this provision would not apply to Michigan university fund-raising registration plates and matching collector plates issued under the bill.

Plate Rights and Title Ownership

The State, through the Secretary of State, would own all rights, title, and interest in all fund-raising

registration and collector plates, including the right to use, reproduce, or distribute a fund-raising registration or collector plate or the image of a fund-raising registration or collector plate in any form. The SOS could authorize the commercial or other use of a fund-raising registration or collector plate design, logo, or image if written consent were obtained from the pertinent Michigan university or person or entity that sponsored a State-sponsored fund-raising registration plate. The SOS, however, could not authorize the commercial or other use of a fund-raising registration or collector plate unless the user first agreed in writing to the terms and conditions that the SOS considered necessary. Those terms and conditions could include the payment of royalty fees to one or more of the following: the State, a Michigan university, or a person or entity that sponsored a State-sponsored fund-raising registration plate. A royalty fee paid to the State under a written agreement would have to be credited to the Michigan Transportation Fund.

Tie-Bar/Effective Date

The bill is tie-barred to House Bills 5040, 5041, 5042, which would provide for the issuance of an agricultural heritage specialty plate, a lighthouse preservation plate, and a water quality preservation plate, respectively. The bill also is tie barred to Senate Bill 770, which would provide for the issuance of a critical wildlife habitat specialty plate, as well as Senate Bills 827 and 828.

The bill would take effect October 1, 2000. Sections of the bill and the bills to which it is tie-barred would be repealed five years after their effective dates.

Senate Bill 827

The Children’s Trust Fund-Raising plate would have to be of a design as determined by the SOS after consulting with the State Child Abuse and Neglect Prevention Board created in the Child Abuse and Neglect Prevention Act.

Children’s Trust Fund-Raising registration plate donations and matching collector plate fund-raising donations, collected under Senate Bill 826, would have to be transferred by the SOS to the State Treasurer, who would have to credit the donation money to the Children’s Trust Fund. (“State-sponsored children’s trust fund-raising registration plate” would mean a registration plate containing a specialized design pertaining to the children of the State.)

The bill is tie-barred to Senate Bills 826 and 829, and would take effect October 1, 2000.

Senate Bill 828

The Michigan Veterans Memorial Fund-Raising plate would have to be of a design as determined by the Secretary of State.

Michigan Veterans Memorial Fund-Raising registration plate donations and matching collector plate fund-raising donations, collected under Senate Bill 826, would have to be disbursed by the SOS to the State Treasurer, who would have to credit the donation money to the Vietnam Veterans Memorial Monument Fund created in the Michigan Vietnam Veterans Memorial Act. These funds would have to be used exclusively by the Michigan Vietnam Veterans Memorial Monument Fund Commission for the financing and construction of a memorial monument and the payment of all amounts due in connection with it (MCL 35.1055 and 35.1057). (“Michigan veterans memorial fund-raising registration plate” would mean a registration plate containing a specialized design pertaining to Michigan veterans.)

The bill is tie-barred to Senate Bill 826, and would take effect October 1, 2000.

MCL 257.803l et al. (S.B. 826)
 Proposed MCL 257.811j (S.B. 827)
 Proposed MCL 257.811m (S.B. 828)
 MCL 21.171 (S.B. 829)

Legislative Analyst: L. Arasim

FISCAL IMPACT

These bills would increase revenue to the State. There would be some administrative costs to the Department of State to administer the program. However, the costs would be absorbed by the revenue gained from the sale of the license plates. Because the number of people who would purchase fund-raising plates is unknown, the fiscal impact of the program is indeterminate. However, figures for other plate programs are shown below for reference.

	Olympic Plates		Organizational Plates	
	Issued	Fees	Issued	Fees
FY 1995-96	5,795	\$139,357	1,439	\$35,975
FY 1996-97	6,985	\$146,326	1,228	\$30,700
FY 1997-98	7,244	\$177,762	1,283	\$32,075
FY 1998-99	7,800	\$192,000	1,400	\$35,000

After the Department of State deducts its costs from the original fees for the Olympic plates, the remainder is sent to the Olympic Training Center at

Northern Michigan University. The chart above shows the total revenue collected from fees for both the Olympic plates and the organizational plates. The figures for FY 1998-99 are projected totals.

Fiscal Analyst: E. Limbs

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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.