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BILL



ANALYSIS

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Senate Bill 199 (as reported without amendment)
Sponsor: Senator Roger Kahn, M.D.
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 current 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.

CONTENT

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

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

recognizing the Boy Scouts of America (BSA).

- Create the "Boy Scouts of America Fund" and require donations from the sale of the plate to be deposited into the Fund.**

The Code allows 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 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 BSA. In conjunction with the BSA, the SOS would have to design the 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. 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 Boy Scouts of America 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 BSA.

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, 2010, the BSA 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 bill would help to support the Boy Scouts of America, an important organization in the lives of about 140,000 Michigan youths. 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, already have BSA license plates. The bill would create a similar plate in Michigan, generating revenue to benefit the organization.

The BSA reportedly has the money available to pay the \$15,000 start-up fee to cover the costs of developing the plate. The BSA's widespread membership and its approximately 35,000 adult volunteers in the State should enable it to meet the 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.

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 allow scouts and scout leaders to support the BSA without creating any potential confusion.

Response: According to testimony on this bill, the BSA has informed the Michigan State police (MSP) of the BSA's willingness to use a design that meets the MSP's approval.

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 Boy Scouts of America 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 Boy Scouts of America Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Boy Scouts of America.

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.