




Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 534 (Substitute S-1 as reported)  
Sponsor: Senator John J. Gleason  
Committee: Transportation

*(as passed by the Senate)*

Date Completed: 10-10-11

### **RATIONALE**

Each year, organ and tissue transplants save the lives of tens of thousands of individuals across the nation, but many more die while waiting. At present, several thousand Michigan residents are waiting for an organ or tissue in order to survive. Over the past few years, several initiatives have been launched to raise awareness of the need for more organ and tissue donations and to make it easier for people to designate themselves as potential donors; for example, residents now have the option to include a heart insignia on their driver license or State identification card. It has been suggested that a fund-raising license plate should be created to further increase awareness regarding organ and tissue donation.

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to authorize the Secretary of State (SOS) to issue a fund-raising license plate recognizing anatomical gift donation; and require donations for those plates to be deposited in a proposed "Donate Life Fund".**

The SOS would have to determine the design of the plate. Fund-raising donations for the plates collected under Section 811f would have to be transferred under Section 811h by the SOS to the State Treasurer, who would have to disburse the donation money to the Donate Life Fund (proposed by House Bill 4978).

(Under Section 811f, an application for an original fund-raising plate must be

accompanied by payment of the regular vehicle registration tax, a \$25 donation, and a \$10 service fee. An application for a renewal must be accompanied by payment of the vehicle registration tax and a \$10 donation.

Section 811h requires the SOS to create a separate account for each type of fund-raising plate and identify and segregate the fund-raising donations into the separate accounts. The SOS must authorize the disbursement of the donations on a quarterly basis.

A fund-raising plate must meet sales goals of 2,000 in the first year and 500 new plates annually for the next five years. The SOS may cease to issue a fund-raising plate that fails to meet the sales goals.)

The bill would take effect on June 30, 2012. It is tie-barred to House Bill 4978, which would create the Fund and require it to be used only for the administration and maintenance of the State anatomical gift donor registry program.

Proposed MCL 257.811t

### **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**

According to Gift of Life Michigan, 792 organs were transplanted in the State in 2010 and, to date, 580 transplants have

occurred in 2011. Despite these successes, the list of Michigan residents waiting for a transplant numbers nearly 3,000. Reportedly, Michigan ranks 46th in the nation in terms of the percentage of adults on the State's organ and tissue donor registry.

In addition to saving lives and improving the quality of life for recipients, the opportunity to donate a deceased loved one's organs or tissues can bring comfort to a grieving family during a difficult time. For these reasons, increasing the number of donors is vital. The proposed license plate would raise awareness of the need for life-saving anatomical gifts directly by being displayed on vehicles and also by generating revenue to fund outreach efforts.

### **Opposing Argument**

It costs the SOS \$15,000 to develop a new fund-raising license plate, regardless of how many are sold. To cover this cost, the Code prescribes a \$15,000 start-up fee for each new plate design. Typically, the organization that will benefit from the sale of the plate pays the fee. The bill, however, does not state that the fee requirement would apply to the proposed "Donate Life" plate, raising concerns that money meant to fund road projects could be diverted to reimburse the SOS for start-up expenses. The proposed license plate should be implemented in the same manner and subject to the same requirements as other fund-raising plates.

**Response:** The Donate Life Coalition, a foundation affiliated with Gift of Life Michigan and its partners, has agreed to provide the money to cover the start-up costs associated with the proposed plate.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The revenue generated from the fund-raising license plate established under the bill would be transferred from the Secretary of State to the State Treasurer, after which the State Treasurer would disburse payments to the Donate Life Fund.

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.