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Senate Bill 555 (as reported without amendment)  
Sponsor: Senator Goeff Hansen  
Committee: Transportation

Date Completed: 1-30-12

### **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 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. 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 promote the development of a Statewide trail network, it has been suggested that a license plate in support of the Michigan Trails and Greenways Alliance also be created.

### **CONTENT**

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

- **Require the Secretary of State (SOS) to develop a fund-raising license plate recognizing Michigan trails and greenways.**
- **Create the "Michigan Trails and Greenways Fund" and require donations for the plates to be deposited into the Fund.**
- **Require the Michigan Trails and Greenways Alliance to use money from the Fund to promote the development and establishment of a statewide trail network.**

Specifically, the bill would require the SOS to develop under Section 811e and issue under Section 811f a fund-raising plate recognizing Michigan trails and greenways. The SOS would have to design the plate in conjunction with the Michigan Trails and Greenways Alliance.

(Section 811e prescribes a start-up fee of \$15,000 for each new authorized fund-raising license plate. The fee must be deposited in the Transportation Administration Collection Fund to be used for the cost of creating, producing, and issuing fund-raising plates. The SOS may not develop or issue a new 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 received through the sale of the plate, and names the person or entity responsible for administering the fund.)

Section 811f prescribes a \$25 donation and \$10 service fee, in addition to the regular vehicle registration tax, for an original fund-raising plate. For a renewal, an applicant must pay a \$10 donation in addition to the registration tax.)

The bill would create the Michigan Trails and Greenways Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund. The Treasurer would have to direct investment of the Fund, and credit to it any interest and earnings. 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 SOS would have to transfer the donation money from the sale of the proposed fund-raising 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 Michigan Trails and Greenways Alliance, which would have to use the money to develop and promote the establishment of a statewide trail network as described in Section 72114(1) of the Natural Resources and Environmental Protection Act.

(That section requires the Department of Natural Resources to establish a plan for a statewide trail network that includes Michigan trailways, pack and saddle trailways, and other recreational use trails.)

The SOS would be the administrator of the Fund for auditing purposes.

Proposed MCL 257.811s

### **BACKGROUND**

According to its website, the Michigan Trails and Greenways Alliance (MGTA) is a nonprofit organization that fosters and facilitates the creation of an interconnected statewide system of trails and greenways for recreation, health, transportation, economic development, and environmental/cultural preservation purposes. "MTGA works at both the state and local levels by assisting public and private interest in trail and greenway planning, funding, development and maintenance. MTGA builds public support for trail and greenway development through events, membership, education, information and advocacy activities."

### **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 provide a voluntary mechanism for Michigan residents to contribute to the upkeep and enhancement of the statewide trail system, and promote Michigan's trails both within and outside of the State.

Trails provide opportunities for recreation, transportation, and improved health. They

also play an important role in economic development. Trails are a highly desired community amenity among many seeking to purchase a home, and trail users spend money at nearby businesses. Reportedly, for example, businesses along the State's Hart-Montague Trail experienced sales increases of 25% to 30% in the first six months of the trail's existence, and users of the Great Allegheny Passage, which stretches from Maryland to Pennsylvania, spent more than \$40 million dollars along the way in 2008. Michigan is said to have more miles of open multiple-use trail than any other state, and its tourism industry could see a significant positive impact if existing trails were linked with State and local parks; evidently, the longer a trail is, the more likely it is that people will come from other states to use it. The money from the license plate sales could be used to implement several proposals to link one Great Lake to another by connecting dozens of existing trails.

The license plate revenue also could be used to surface and maintain trails, as well as increase visibility of the trail system through directional signage, a coordinated statewide promotion strategy, and the development of user-friendly informational materials. Overall, the proposed plate would increase public awareness of Michigan's trail network and encourage citizen stewardship efforts.

**Response:** The proposed plate might support a worthy cause; however, 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.

Legislative Analyst: Julie Cassidy

### **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 Michigan Trails and Greenways 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 Michigan Trails and Greenways Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Michigan Trails and Greenways Alliance.

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.