

VEHICLE FUND-RAISING LICENSE PLATES

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House Bill 4495 as introduced
Sponsor: Rep. Peter Lucido
Committee: Transportation and Infrastructure
Complete to 9-25-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

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

- Require the Secretary of State (SOS) to develop and issue by January 1, 2018, fund-raising or collector plates recognizing the Kiwanis International Michigan District, the Lions Club of Michigan, the Michigan Knights of Columbus, the Michigan Rotary Club, and the Children's Hospital of Michigan.
- Create a fund for each plate in Treasury into which donations from the sale of fund-raising plates would be deposited and from which funds would be distributed quarterly to the applicable organization. Money in the fund at the end of a fiscal year would remain in the fund and not lapse to the state General Fund.
- Require each organization to submit a logo design to the SOS.

[Section 811f of the Vehicle Code authorizes the SOS to issue a fund-raising plate upon request if accompanied by a \$25 fund-raising donation and a \$10 service fee in addition to the regular vehicle registration tax prescribed in the code.]

MCL 257.811cc – 257.811gg

FISCAL IMPACT:

The bill should have no fiscal impact on the state and would have no fiscal impact to local units of government.

Sec. 811e of the Michigan Vehicle Code requires a start-up fee for the cost of producing a new fund-raising plate to be paid within 18 months after the effective date of a public act authorizing the creation of a fund-raising plate. This fee is customarily paid by the nonprofit organizations. The bill would therefore require each of the four non-profit organizations included in the bill to pay \$90,000, assuming the allowed number of current fund-raising plates has not been exceeded. Details on the limit follow below.

The start-up fee is calculated annually according to the prior three-year average cost of plate production as described in Sec. 811e. For Fiscal Year 2016-17, the start-up fee is \$90,000. Since the Secretary of State has routinely bundled new fund-raising plates during production over the last few years, the \$90,000 fee is calculated with the savings from

developing plates at one time largely included. Therefore, it is unclear whether any discount would apply for these four plates.

Fee revenue would be deposited into the Transportation Administration Collection Fund (TACF), which is used to support Department of State (DOS) activities. The bill would have little to no fiscal impact to DOS assuming the start-up fee is equal to the actual cost of production.

Also under Sec. 811e, the Secretary of State (SOS) may not, at any one time, "develop, produce, issue, or make available for sale" more than 20 different fund-raising plates. The SOS currently has 13 fund-raising plates available for sale. In addition to the 5 plates proposed under this bill, there are several proposed fund-raising plates in other bills pending approval from the Legislature, and if all were enacted, the number of approved plates would exceed the maximum allowed under Sec. 811e.

Legislative Analyst: E. Best
Fiscal Analyst: Michael Cnossen

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.