



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



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

House Bill 4308 (as passed by the House)
Sponsor: Representative Amos O'Neal
House Committee: Transportation, Mobility, and Infrastructure
Senate Committee: Transportation and Infrastructure

Date Completed: 6-3-24

CONTENT

The bill would amend the Michigan Vehicle Code to repeal Section 811aa of the Code, which generally requires the Secretary of State (SOS) to develop and distribute a fundraising license plate recognizing sickle cell anemia education and treatment, and reenact it as Section 811hh.

Section 811aa of the Code requires the SOS, working with the Michigan Chapter of the Sickle Cell Disease Association of America (SCDAA), Inc., to design a fundraising license plate recognizing sickle cell anemia education and treatment. The SOS must develop and issue this license plate.

Additionally, the Section creates the Sickle Cell Anemia Awareness Fund within the State Treasury. The State Treasurer may receive money or other assets from any source for deposit into the Fund, must direct the investment of the Fund, and must credit to the Fund interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year must remain in the Fund and cannot lapse to the General Fund. The State Treasurer is the administrator of the Sickle Cell Anemia Awareness Fund for auditing purposes.

The SOS must transfer the donation money from the sale of the fundraising plates recognizing sickle cell anemia education and treatment to the State Treasurer, who must credit the donation money to the Fund. The State Treasurer must disburse money in the Fund on a quarterly basis to the Michigan Chapter of the SCDAA, Inc. (for more information, see **BACKGROUND**).

The bill would repeal Section 811aa of the Code and reenact it as Section 811hh.

Proposed MCL 257.811hh

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Section 811aa was enacted by Public Act (PA) 299 of 2020.

BACKGROUND

Fundraising Plates

The Code allows the State to develop and distribute fundraising license plates. The State may have up to 20 fundraising plates available for purchase at one time.¹ Currently, there are 16

¹ MCL 257.811e

fundraising plates available, including a Breast Cancer Awareness plate (benefiting the Department of Health and Human Services' Michigan Breast & Cervical Cancer Control Program) and a Patriotic Plate (benefiting the American Red Cross and the Salvation Army).

A fundraising plate must be authorized by a PA that does the following:

- Identifies the purpose of the fundraising plate.
- Creates a nonprofit fund or designates an existing nonprofit fund to receive the money raised through the sale of the fundraising plate and matching collector plate; however, a fund cannot spend money received from the sale of a fundraising plate and matching collector plate outside of the State.
- If a fund is created, names the person or entity responsible for administering the fund.

Upon such a PA's passage, the fundraising plate sponsor must pay to the SOS, within 18 months of the PA's effective date, a start-up fee equal to a three-year average of the cost to the SOS of developing a new fundraising plate. The SOS must use the three most recent preceding years in which it developed at least one fundraising plate when calculating this three-year average. The SOS must deposit the fee in the Transportation Administration Collection Fund to be used for the cost of creating, producing, and issuing fundraising plates.

According to testimony before the House Committee on Transportation, Mobility and Infrastructure, the Michigan Chapter of the Sickle Cell Disease Association of America was unable to raise this start-up fee within 18 months of the enactment of 2020 PA 299. As a result, the SOS did not create, produce, or issue the related fundraising plate.

Sickle Cell Disease

Sickle cell disease is a genetic red blood cell disorder. The red blood cells of an affected individual are crescent-shaped, rather than disk-shaped, and fragile. As a result, they break more easily than normal blood cells, leading to a cell shortage, and may clog the arteries of an affected individual, which can lead to severe pain and other serious health complications.

In the United States, sickle cell disease is most common among those of African ancestry or who identify themselves as Black. According to the National Institutes of Health, about one in every 265 Black or African American babies are born with sickle cell disease. About one in 13 Black or African American babies are born with a carrier gene.² The disease also may affect individuals of Hispanic, Southern European, Middle Eastern, or Asian Indian heritage.

Generally, the only procedure that may be able to cure sickle cell disease is a bone marrow or stem cell transplant; however, in December 2023 the United States Food and Drug Administration (FDA) approved two cell-based gene therapies for the treatment of sickle cell disease in patients 12 years and older.³

The SCDA

The SCDA is a nonprofit organization focused on supporting individuals with sickle cell disease. Reportedly, the SCDA, its member organizations, and its affiliates operate within 29 states, serving over 500,000 children and adults with sickle cell disease and their caretakers. Among other services, the SCDA educates the public on sickle cell disease, connects individuals affected by the disease to clinical trials, offers newborn screening services, and advocates for affected individuals.

² "What is Sickle Cell Disease?" [National Heart, Lung, and Blood Institute, NIH](#). Retrieved on 5-31-24.

³ FDA, *FDA Approves First Gene Therapies to Treat Patients with Sickle Cell Disease*, December 8, 2023.

FISCAL IMPACT

The cost to create a fund-raising specialty plate currently averages an estimated \$90,000 for design and production of the plate. This start-up cost would first need to be paid by the SCDA, Michigan Chapter, before the Department of State (DOS) would begin production and issuance of the Sickle Cell Anemia plate.

Upon issuance of a fund-raising plate, the applicant must submit a \$25 fund-raising donation (\$10 donation for a renewal) along with the applicable vehicle registration tax. The fund-raising donations would be deposited into the Sickle Cell Anemia Awareness Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the SCDA. The vehicle registration tax revenue would be deposited into the Michigan Transportation Fund (MTF) while any other fee revenue, aside from the fund-raising donation, would be deposited into the Transportation Administration Collection Fund. Finally, there could be additional costs to the DOS associated with the development and issuance of the new plate; however, these costs should be minimal and absorbable within annual appropriations. The MTF likely would not see much of an increase in revenues as most applicants for the new plate likely are already paying the vehicle registration tax which the bill would not be affect.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco, Jr.

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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.